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SELA DEMANDS ACCESS TO INTERNATIONAL MARKETS

PY022355 Madrid EFE in Spanish 2204 GMT 31 May 86

[Text] Montevideo, 31 May (EFE) -- Free access to international markets for their products, particularly textile and agricultural products, is "vital and a priority" for Latin America in view of the forthcoming GATT negotiations. This is one of the conclusions of 2 days of consultations that Latin American Economy System (SELA) experts and delegates from 21 Latin American and Caribbean countries held in Montevideo.

The final document says that "the priority needs are to develop and to fulfill our financial obligations, which are closely tied to the possibility of expanding our exports." The document condemns the protectionism enforced by the developed countries and their "continued violation" of commitments adopted at previous GATT meetings. It recommends, therefore, that the forthcoming GATT negotiations "must be preceded by a firm and consistent commitment that those measures not in keeping with the general agreeent be repealed."

The next round of GATT negotiations is scheduled for September in Punta del Este (Uruguay).

The delegates meeting in Montevideo agreed that the GATT is not the proper place to discuss the "new issues" -- services, investments, high technology, and copyrights, [propiedad intelectual] -- that developed nations apparently want to introduce.

The document notes: "The proposal submitted by developed countries show that one of their main objectives is to develop their participation in the developing countries' markets. This grants our nations a negotiating power that must be wielded in a joint and coordinated manner."

SELA Permanent Secretary Sebastian Alegrett, who attended the meeting, has said that "without us, there is no party." After noting the "extraordinary agreement achieved by the Latin American countries," Alegrett said: "We need a more open commercial framework."

To complement the conclusions of the SELA meeting, a Latin American meeting on the theme of basic products was scheduled for 25 to 27 August in Guatemala.

SELA'S ALEGRETT VIEWS U.S.-BRAZILIAN DISPUTE

PY031702 Madrid EFE in Spanish 2220 GMT 2 Jun 86

[Text] Rio de Janeiro, 2 Jun (EFE) -- The Latin American Economic System (SELA) will set into motion emergency mechanisms designed to protect regional trade if the United States imposes economic sanctions on Brazil, Venezuelan Sebastian Alegrett, SELA secretary general, has announced, according to the local magazine ISTOE.

According to Alegrett these mechanisms were set into motion for the first time when the United States established an economic embargo on Nicaragua. "Many countries helped Nicaragua by supplying spare parts and capital goods," Alegrett said. He added that "before that, Latin American countries bought from Nicaragua the sugar that the United States turned down." Alegrett warned that joint measures will be implemented only if the country involved asks for it.

He explained that "the SELA will act only in response to a request from the country attacked, because the sovereignty right of each country to develop a policy of its own is at stake."

Alegrett also discussed the intention of the United States to amend the international law on services and capital goods. He said: "This may have serious consequences for Latin American development policies." He emphasized that "these amendments have to do with rights to high technology, and regulations may block access to an industrial sector, which is essential for the future of Latin America."

Alegrett expressed his support for Brazil's policy of reserving its domestic market for locally-produced computers, which the United States rejects, saying: "It is a specific approach to stimulating industrialization and import substitution."

Alegrett went on to say that the problem of Latin America's foreign debt is getting worse, "despite the dialogue and efforts to make adjustments." He concluded: "The truth is that our problem is development, not the foreign debt. The foreign debt is a problem for the creditors."

LEFTIST PARTIES MEET, REJECT BAKER PLAN

FL032050 Bridgetown CANA in English 1930 GMT 3 Jun 86

[By Paget de Freitas]

[Text] Kingston, Jamaica, June 3, CANA -- Leftist Latin American and Caribbean political parties have rejected the U.S. Baker Plan as inadequate for dealing with the Third World's debt problem. Instead, they have called for global reforms and the sharing of the burden between the developing and developed worlds.

The Baker Plan was presented by U.S. secretary of the Treasury James Baker last October.

Particularly, the leftist leaders, who met in Jamaica last weekend, called for changes in the International Monetary Fund's [IMF] approach to stabilisation programmes for debtor nations, and for more resources to be avoidable to borrowing countries.

The officials from socialist and social democratic parties in Antigua and Barbuda, Belize, Chile, Costa Rica, Dominica, the Dutch Antilles, El Salvador, Haiti, Guyana, Mexico, Nicaragua, St Lucia and Venezuela were hosted by the Jamaica opposition Peoples National Party (PNP) to discuss Global Challenge -- the policy document produced by socialist international [SI] to deal with the present world economic crisis.

PNP leader and former Jamaica Prime Minister Michael Manley headed the SI economic commission that fashioned the document which recommends reflation to stimulate world growth and calls for first world socialist and social democratic parties when in power to increase assistance to sister parties leading Third World governments.

In a final statement, the conference participants said there was a pretence and deception that the Third World debt problem could be handled within present-day financial conditions and on a divisive case-by-case basis, neither the case-by-case approach nor the Baker Plan could deal with the debt problem, they said.

Added the statement: We believe the Baker Plan is unable to achieve such objctive (of dealing with the debt problem), because it fails to commit adequate resources under reasonable conditions to cover the financial needs of debtors and is instead to help transnational commerical banks. It does not provide adequate relief while exacting from the detors a high price in terms of their acceptance of unrestrained capitialist policies.

The Baker Plan called for commercial banks to increase their loans to Third World nations, which have run to a trickle, by U.S. 20 billion dollars over a three-year period. But the IMF would oversee the economies to provide them with its seal of approval for having implemented the adjustments which developing countries find very painful.

Some critics say that the Baker Plan would hardly go further than allowing Third World nations, whose debts total over 800 billion U.S. dollars, to continue meeting their commitments to creditor banks.

The political leaders at the Jamaica meeting were harshly critical of the conditions exacted by the IMF from Third World nations for its loans, and said the institution was responsible for additional deflationary force in the world economy which meant fewer jobs in developing and developed nations. Instead of customary IMF policy of severe demand management, they suggested a more appropriate policy is to finance the gap in balance of payments pending the normalisation of the world economy rather than cuts and re-allocation of resources towards foreign exchange generation.

There is a co-responsibility between creditors and debtors in creating the debt crisis and therefore in formulating and implementing a solution to the debt problem, they said. The burden cannot be placed solely on the shoulders of the Third World. They said the resources available to the IMF should be expanded and dispensed under conditions appropriate to the structural problems of developing countries.

The position of the Latin American and Caribbean parties are to be discussed at an SI conference in Peru this month, when an action programme is expected to be finalised.

Said the document: In a world where the search for consensus has been undermined, paralysis, and stalemate characterise international institutions, and unilateralism is overwhelming multilateralism, it is the solemn duty of all like-minded parties in the South and in the North to seize every opportunity to promote collective self-reliance, international cooperation, and devote their efforts unsparingly and intensively to the tasks of recovery, reconstruction, and redistribution.

DEFENSE MINISTRY ANNOUNCES NEW APPOINTMENTS

PY032227 Buenos Aires TELAM in Spanish 2143 GMT 3 Jun 86

[Text] Buenos Aires, 3 Jun (TELAM) -- Presidential spokesman Jose Ignacio Lopez this afternoon confirmed that there will be no more changes within the national cabinet; at the same time he announced the appointments of Hector Rossi as defense secretary and Facundo Suarez as head of the Secretariat for State Intelligence (SIDE).

In making these announcments in the press room at Government House, the spokesman said that the comments by former Defense Minister German Lopez do not reflect his disagreement with the way in which the Sivak case is being handled. He said that Lopez' comments indicated that he is upset with the procedures used with regard to his questioning by Congress.

Lopez stated that on 8 June, after Horacio Jaunarena is sworn in as defense secretary and Hector Rossi as secretary of this ministry, the president will fete the journalists accredited to Government House on the occasion of Journalists Day and that he will set the date for his next press conference.

PROSECUTOR CONTINUES INVESTIGATION OF SINKING

PY032359 Buenos Aires BUENOS AIRES HERALD in English 3 Jun 86 p 11

[Text] (NA-DYN) -- Rio Gallegos Federal Judge Alfredo Bustos freed the captain of the Taiwanese trawler Hsien Teh No 3 yesterday while the prosecution continues its case against the owners of the vessel. Fines of up to one million dollars are applicable in the case.

Two Chinese interpreters arrived here yesterday at the request of Judge Bustos whose court is handling the case. Bustos started taking testimony yesterday from Hsien Teh No 3 crew members who were not injured when the Argentine Coast Guard cutter Prefecto Debres opened fire on the Taiwanese vessel as it was allegedly fishing inside Argentine waters. Judge Bustos had charged the foreign skipper with "disobedience". The judge is also considering bringing smuggling charges against the fisherman. Nevertheless informed sources say that counts of illegal possession of squid would be hard to prove as the Hsien Teh No 3 is thought to be adrift somewhere on the South Atlantic. Other sources say the damaged vessel may have been towed into a Malvinas port.

According to a Coast Guard statement, 16 members of the captured crew are in good health and are being put up at a local old people's home while the four injured Taiwanese sailors are still in hospital. There are no charges against them and once the investigation has finished they will be free to return home.

The Argentine Confederation of Producers and Exporters (CPERA), meanwhile, expressed its "firm support" of the Coast Guard action against the Taiwanese trawler and asked the government to reconsider any intention to renew commercial relations with Great Britain. CPERA accused Britain of manipulating the situation on the southern seas. The federation congratulated the Coast Guard for its attack on Hsien Teh No 3 and said they "are merely...guarding the interests of the nation which are being affected by a country (Britain) which in Argentine history has been characterized as a bloodsucker. The continual plundering of our seas affects our rich natural resources, our national and private economy."

ALFONSIN OUTLINES COUNTRY'S NUCLEAR POLICY

PY302329 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1630 GMT 30 May 86

[Text] Rio Tercero, Cordoba, 30 May (NA) -- President Raul Alfonsin stressed here today that his government "will continue to work in all international forums for nuclear disarmament under strict and efficient international control," because "it is nuclear weapons, not the peaceful use of nuclear energy, that represent the great threat to the survival of humanity." The president also reaffirmed the Argentine Government's position of placing "at the disposal of countries the benefits of the peaceful use of nuclear energy without restrictions based on ambiguous justifications." He added that Argentina will demand and accept adequate guarantees that nuclear energy be used for exclusively peaceful purposes.

Alfonsin made this speech at the end of the ceremony in which the cornerstone of the radioisotope production plant was laid. This plant will be built on the grounds of the Embalse nuclear plant. In his speech, the president expressed his "conviction" that the safeguards of the IAEA "are adequate to ensure the nonproliferation of nuclear weapons.

"Any other type of requirement," he stressed, "such as restrictions on the transfer of technology in areas that are tendentiously called sensitive, lead to the suspicion that an intention to preserve political and trade supremacy is being hidden." Alfonsin guaranteed that the government, "within the possibilities of today's Argentina, will again offer a stable and promising future for the technicians, scientists, employees, and workers who day-by-day are implementing the nuclear program."

Regarding the production of uranium, he also announced that "in the immediate future our efforts will be centered in Mendoza Province," where a refining plant has been installed next to the Sierra Pintada mine. In this respect, Alfonsin explained that the pertinent studies are under way to build a production complex that "will cover future demand."

Referring to the future radioisotope production center, he indicated that natural uranium fuel, which is used in nuclear plants, will be replaced by a fuel that will be slightly enriched. Alfonsin then indicated that the CNEA [National Commission for Atomic Energy] is developing the technology to produce heavy water, and "this is another fundamental and critical element for the operation of nuclear reactors." He also stressed that the cobalt-60 production plant will begin operation in 1987.

GENERAL RIOS ERENU'S ARMY DAY SPEECH CITED

PY302214 Buenos Aires TELAM in Spanish 1803 GMT 29 May 86

[Text] Salta, 29 May (TELAM) -- Army Chief of Staff General Hector Rios Erenu today said: We earnestly wish to consolidate the institutions of the republic and strengthen democracy, justice, peace, and freedom, which are essential for a constant and orderly development in order to at last give the Argentine people well-being and happiness. General Rios Erenu made this statement during a ceremony commemorating army day, in Campo de Castanares, near this city. The ceremony was chaired by Defense Secretary Horacio Juanarena.

Rios Erenu said: The Army is ready to fulfill this commitment, which is the reason for our efforts and the essence of our allegiance as soldiers, under the shelter of the Lord's infinite kindness, in which we trust with Christian hope that our humble dedication as individuals will allow the institution to successfully fulfill this commitment.

He said: We have an unavoidable duty to participate in the nation's effort to recover our unredeemed Malvinas. The combination of such concrete motivations and actions will be our tribute to our men, who remain in our memories, and who lie, as proof of their courage, on that beachhead beyond our sea as guardians of Argentina's future.

On this anniversary, he said, we are following the path indicated by our responsibility. We should try to understand the current difficulties and the general effort of the people for when we should sacrifice in order to attain the destiny we deserve. Rios Erenu said that in order to be worthy of our institution's tradition we must come up with concrete solutions. For this we must feel this tradition strongly and live according to it, just as we must have a strong feeling for our country and live for it. He added that honest and humble self-sacrifice is required to foresake willful stands and adjust ourselves to the hard reality of today's world.

He said that the Army's spirit of contribution and its monolithic presence, as a permanent and representative national institution, obliges us to confirm our democratic concept and commitment, and to work to strengthen our political system in order to end the cycles that have created our problems and misunderstandings. By identifying with our national interest and by being responsible for our inheritance, we will surely consolidate our institutional force based on respect for the law, and gain the place we deserve in the nation's highest legal order. The current situation obliges us to ratify the essential values of our tradition, which gave rise to the virtues upheld our great liberator.

Rios Erenu remarked that we are convinced that we will continue working nonstop, in silence, to try to overcome our painful experiences because it is necessary to heal the wounds that so many years of misunderstandings have caused in our nation. History has demonstrated, Rios Erenu said, that sovereignty is not attained at any given time and it does not last forever, but its maintenance and consolidation by legitimate means is a permanent challenge. This is our constant obligation, and this is why the Army must always be prepared to respond to any attempt to violate our sovereignty.

He added that the maturity we have reached, a result of our awareness of the difficult reality in which we live, compels us to develop professionally our creativity in order to maintain our operational capability in order to fulfill our mission. To this end, he asserted, we will curtail our needs, and find substitutes for what we cannot obtain by putting our imagination to work, thus proving our willingness to serve the nation.

Those who try to take advantage of circumstances by offering false options will clash with our dedication to the mission we must perform at this stage of the consolidation of the democratic system, a conviction that is the only guarantee of a serious and reliable political future. Rios Erenu then said that it is necessary for us to join with all the country's sectors to ensure the national unity, which is the order of the day, so that radical positions that want to assert themselves can be ultimately defeated.

Rios Erenu said: We will continue modernizating the Army, convinced that we must adapt ourselves to historical cycles. We will thus keep pace with the progress of Argentina, which is entering a new century, recovering lost ground and lost time.

IMF SUPPORTS GOVERNMENT'S ECONOMIC POLICIES

PY032319 Paris AFP in Spanish 1839 GMT 3 Jun 86

[Text] La Paz, 3 Jun (AFP) -- It was officially reported here today that the IMF has decided to support the new economic policies of the Bolivian Government by approving a credit of approximately $150 million.

Gonzalo Sanchez and Juan Cariaga, the ministers of planning and finance, respectively, who returned from Washington yesterday, met with President Victor Paz Estenssoro to brief him on the negotiations held with the IMF, the World Bank, and the IDB.

The ministers in charge of the economy indicated that the IMF has decided to support the government because it has shown responsibility in drawing up its economic policies: Fiscal reserves have increased to $200 million, fiscal credit has been reduced, and there has been no inflation in the last 19 weeks.

Minister Cariaga indicated that the IMF has approved a special $55 million credit as a standby for the balance of payments, another $50 million to meet obligations, and a freely disposable $20-million quarterly credit.

The officials said President Paz was satisfied with the IMF support, especially with the internal and external effects it will have on the overall recovery of the national economy.

Bedregal Views Economic Issues

PY310357 LA Paz La Red Panamericana in Spanish 0000 GMT 31 May 86

[Excerpts] The IMF has approved a $107-million stand-by credit for Bolivia. The funds will be immediately disbursed. Foreign Minister Guillermo Bedregal announced a few hours ago that through the IMF endorsement Bolivia will get $500 million over the next few months.

[Begin Bedregal recording] It is important to note the foreign debt issue. The foreign debt obviously has peculiar characteristics: We cannot stop paying our foreign debt or stop discussing it with the multinational, international financial organizations because that money.... [changes thought] For every dollar we pay we get 10 additional dollars to activate our productive apparatus. From this point of view, we will pay that type of obligation. In July we will ask the Paris Club, with which we carry bilateral debts, for a moratorium in view of the true situation of the Bolivian economy, whose foreign sectors are especially deteriorated. We will also ask the private creditors, to whom we owe the least money and with whom we have obviously already held meetings, for another moratorium. The negotiating conditions are perfectly valid, and I do not believe that this year we will have to spend a cent to meet this type of obligation. [end recording]

PCB CALLS FOR ABOLITION OF NEW ELECTORAL LAW

PY271519 Madrid EFE in Spanish 0118 GMT 27 May 86

[Text] La Paz, 26 May (EFE) -- The Bolivian Communist Party (PCB) today called upon political organizations and labor unions to demand the abolition of the new electoral law and to denounce General Hugo Banzer Suarez' plans for a "constitutional coup."

The PCB's first secretary, miner Simon Reyes, said that former President Banzer's conservative Nationalist Democratic Action (ADN) "plans to use any pretext to hold the general elections ahead of schedule and to ensure Banzer's victory through the new electroral law."

On 23 May the government promulagated an electoral law excluding Indian leftist parties and other traditionally democratic parties from participating in the next Bolivian elections set for 1989 because of their "lack of representativeness."

The Communist deputy stated that the electoral amendments were "retrogressive and antidemocratic" and meant only "for the benefit of the ruling Nationalist Revolutionary Movement (MNR), the ADN, and Jaime Paz Zamora's Movement of the Revolutionary Left (MIR), which will control all the electoral organizations."

He noted that the law requires all parties to submit a list of at least 7,000 registered members, which would leave the left at the mercy of the country's repressive forces and the CIA.

The PCB participated in the Democratic and Popular Unity (UDP) coalition, which ruled the country from 1982 to 1985.

Deputy Mario Rueda Pena, of the Nationalist Revolutionary Movement of the Left (MNRP), said that "electoral power will be the exclusive monopoly of 'Paz-Estenssorism,' "Banzerism,' and 'Paz-Zamorism,' because all other forces will have been antidemocratically excluded."

Rueda Pena proposed complete constitutional reform to facilitate a new electoral organization in Bolivia, accepting second rounds in the elections and lowering the voting age to 18, prohibiting presidential reelection, and providing for the registration of all peasants.

BRIEFS

PROVEN GAS RESERVES UP -- Bolivian Government Oil Deposits President Alfonso Romero on 15 May reported that as a result of work conducted in the past few months, proven gas reserves now total 5 billion cubic meters. [La Paz PRESENCIA in Spanish 16 May 86 p 1 PY]

GOLD RESERVES -- The Information Ministry bulletin has reported that gold reserves deposited in the Central Bank total more or less 1 million troy ounces. [Excerpt] [La Paz PRESENCIA in Spanish 17 May 86 p 8 PY]

AMBASSADOR TO COSTA RICA -- Raul Lema Pelaez has been appointed as Bolivian ambassador to Costa Rica. [Excerpt] [La Paz PRESENCIA in Spanish 14 May 86 p 10 PY]

COCAINE SEIZED -- La Paz, 25 May (AFP) -- It was officially reported in La Paz today that members of the Mobile Units for Rural Areas [Umopar] Bolivian police units, have seized 26 kg of cocaine during a raid in Chimore, Chapare region, central Bolivia. Elsewhere, the Antinarcotics Directorate has reported that 2 kg of cocaine were seized in the Petrolero neighborhood in La Paz, and that Mario Torres, Raul Urquidi, Adalid Ferrufino, and Juan Carlos Apaza were arrested. [Excerpts] [Paris AFP in Spanish [1726 GMT 25 May 86 PY]

NEW AGRARIAN REFORM MINISTER ASSUMES OFFICE

PY300312 Brasilia Domestic Service in Portuguese 2200 GMT 29 May 86

[Relay from Planalto Palace by Dei do Nascimento]

[Excerpt] Almost all ministers were present at Planalto Palace to attend the ceremony marking the installation of the new agrarian reform and development minister.

The new minister, Dante de Oliveira, voiced his commitment to implement the agrarian reform plan.

[Begin de Oliveira recording] I hope to have the support of the Brazilian people, and of the entire society, to implement a program that is essential to pay the tremendous social debt of the country and people to the workers of fields. [end recording]

President Sarney spoke afterward. He thanked outgoing Minister Nelson Ribeiro for the cooperation he gave the government. The president referred to the important task that new Minister Dante de Oliveira will have beginning today

[Begin Sarney recording] I know this is not an easy task. However, all of us who work today for this country know very well that we have not been asked to perform easy tasks. The task of those who began the construction of this great nation was much harder. [end recording]

President Sarney added that the National Agrarian Reform Plan must be implemented urgently but without violence, as specified by the land statutes and other laws. The president stated that since the first year of the creation of agrarian reform and development, 320,000 hectares of land have been expropriated, and 5,972 families have been settled throughout the country.

EMFA PLANS STANDARDIZATION OF MISSILE INDUSTRY

PY030355 Rio de Janeiro O GLOBO in Portuguese 2 Jun 86

[Text] Brasilia -- The development program for Brazilian missiles will be standarized and coordinated by the Armed Forces Joint Command (CMFA). A secret meeting between representatives of technological institutes of the three armed services and the six main enterprises in the field was held on 26-27 May in Brasilia, sponsored by the EMFA Technological Department.

Engesa [Specialized Engineers Inc.], Embraer [Brazilian Aeronautics Enterprise], Avibras [Brazilian Aviation Company], D.F. Vasconcelos, Britanite, and Imbel [Ordnance Industry] participated in the meeting. Representatives of the Airspace Technical Center, Army Technological Center, and Navy Research Center presented the position of the military ministeries.

According to one of the participants in the meeting, one point was made clear as soon as the discussion began: The current scattered efforts have delayed the program for so-called intelligent weapons -- that is, self-guided weapons. The Armed Forces mentioned two examples: the Piranha missile program developed by D.F. Vasconcelos with the support of the Airspace Technical Center (ATC), and the Barracuda missile developed by Avibras, which is trying to develop a missile like the Exocet.

It was decided at the meeting that the various programs, encompassing all areas of the missile-making industry, will be standardized. Basically, missiles will be divided into several categories: antitank, light antitank for infantry use (shoulder-launched), antitank mounted on armored cars, antiship, antiaircraft for air defense, and ballistic (to reach targets from 300 to 1,600 kilometers).

As a first step, all the companies will submit their programs based on their own technology or on foreign technology. Once the models have been selected, their components will be contracted out to various companies, depending on their specialty: electronic systems, explosive charges, electronic sensors, precision mechanics, high-temperature metallurgy, and fuel.

New Missiles Previewed

PY040110 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Jun 86 p 8

[By Dalton Moreira]

[Excerpts] Avibras will present two "intelligent" missiles on the international weapons market by the end of the year. They are being developed by the Avibras technical department in Sao Jose dos Campos, 97 km northeast of Sao Paulo. One of them is a land-sea missile capable of sinking any destroyer in the latest generation on the world naval market. The other is an antitank missile with a guidance system comprised of "an intelligent" head that automatically tracks the target, allowing the gunner to direct the missile by means of an optical sight.

The land-sea missile project began 2 years ago and it is believed that it will be ready by the second half of this year. The Barracuda -- as the land-sea missile has been named in Brazil -- is being developed to be deployed from a combat vehicle like the gun carriages used for the Astros-2 multiple rocket launching system, which is built by the Tectran company, an Avibras subsidiary.

Despite competition, the Avibras commercial department took the initiative to develop a low-cost missile project similar to the French-German-made Roland, but at a much lower cost and with great operational potential. Still without a name, this antitank missile will have the same guidance system as the Barracuda: an "intelligent" head that automatically tracks the target. After locating the target, the gunner will be able to direct the missile through an optical sight.

Besides having direct competitors to its new antitank missile, Avibras still has another problem to solve: Engesa, a traditional manufacturer of combat vehicles, will present two new antitank "intelligent" missiles at the International Weapons Fair in Rio de Janeiro next October. One of them already exists as a prototype; the other is about to be completed.

One of the Engesa missiles will use a laser beam guidance system that will be controlled by the gunner, with the aid of an optical system placed on his helmet or binoculars. The whole set of command system instruments send signals to modify the original course of the missile to the target. This system has the advantage of being almost undetectable by conventional methods. The other Engesa model is more sophisticated. It uses a small TV mounted in its head linked to a control system by fiber optics.

The "intelligent" antitank missiles of Avibras and Engesa can both be launched from a 25-mm cannon placed on a tank turret. The Urutu tank, for example, will be able to specify it as an option after it is launched on the market.

OFFICIAL TALKS WITH IRAQ HELD IN BRASILIA

JN271408 Baghdad Voice of the Masses in Arabic 1200 GMT 27 May 86

[Excerpt] Brasilia -- Official Iraqi-Brazilian talks began in Brasilia today. The Iraqi side was headed by Taha Yasin Ramadan, RCC [Revolution Commnd Council] member and first deputy prime minister, while the Brazilian side was headed by Brazilian Foreign Minister Roberto de Abreu Sodre. The Iraqi side comprised Hasan 'Ali, RCC member, trade minister, and head of the Iraqi side on the Iraqi-Brazilian committee; Oil Ministry Under Secretary 'Isam 'Abd al-Rahim; and a number of officials. The Brazilian side included Paulo Tarso Flecha de Lima, general secretary of the Foreign Ministry; the head of the economic department; the head of the Middle East department; and a number of officials.

During the talks, there was a review of the existing relations of cooperation in all fields and ways to promote them in the interest of the two friendly peoples. Taha Yasin Ramadan expressed satisfaction over the developing bilateral relations and their expansion in the trade and economic fields, affirming Iraq's desire to promote and expand these relations in light of the mutual desire and the interest of the two countries' leaderships in bolstering them. Talks also dealt with the developments of the Iraq-Iran war and Iraq's peaceful stands and desire to end the war and solve the dispute with Iran through peaceful means. Taha Yasin Ramadan said that Iraq, under the leadership of President Saddam Husayn, will defend every inch of its territory and inflict the heaviest losses on the Iranian aggressors.

The Brazilian foreign minister expressed appreciation for Iraq's peaceful efforts to end the dispute with Iran, expressing the hope that this war will end at the first opportunity and that peace will be established. The RCC member and first deputy prime minister had earlier held a closed meeting with the Brazilian foreign minister. During the meeting, they discussed bilateral relations and the Arab and international situation, particularly the developments of the Iraq-Iran war. An official source said that Taha Yasin Ramadan and Sodre affirmed their desire to promote bilateral cooperation in all fields in the service of the peoples of the two friendly countries.

Taha Yasin Ramadan held a press conference today which was attended by Hasan 'Ali, RCC member and trade minister. The first deputy prime minister answered reporters' questions regarding the developing Iraqi-Brazilian relations. He expressed satisfaction with the cordial atmosphere which prevailed at the talks with the Brazilian officials. The first deputy prime minister also talked about the developments of the Iraq-Iran war, affirming that Iraq now possesses four times as many weapons as it did before the war. He said that the Iraqis will continue to defend their land no matter how long the war lasts and will liberate every inch of their occupied territory.

Taha Yasin Ramadan also affirmed Iraq's desire to end the war and solve the dispute with Iran peacefully. He said that Iraq's international relations are broad and strong in all fields due to Iraq's great international status, which enjoys the interest, trust, and appreciation of the international community.

Ramadan Confers With Army Minister

JN271709 Baghdad INA in Arabic 1655 GMT 27 May 86

[Text] Brasilia, 27 May (INA) -- Taha Yasin Ramadan, RCC member and first deputy prime minister, met with Brazilian Minister of the Army Leonidas Pires here today. They discussed bilateral relations and prospects for their promotion in various fields.

They also stressed the two countries' desire to expand the scope of their cooperation in all fields. Ramadan arrived in Brasilia yesterday leading an Iraqi delegation which includes Trade Minister Hasan 'Ali and Oil Ministery Under Secretary 'Isam 'Abd al-Rahim. He will hold talks with Brazilian officials on strengthening and promoting bilateral relations in all areas.

Official Talks Resume

JN281114 Baghdad INA in Arabic 0725 GMT 28 May 86

[Text] Brasilia, 28 May (INA) -- Official Iraqi-Brazilian talks resumed here today under Taha Yasin Ramadan, RCC member and first deputy prime minister; and Brazilian Foreign Minister Roberto de Abreu Sodre. The Iraqi side to the talks comprises Hasan 'Ali, RCC member and trade minister; 'Isam 'Abd al-Rahim, Oil Ministry under secretary; and a number of officials while the Brazilian side comprises the Foreign Ministry under secretary and officials from the Ministries of Trade, Industry, and Oil, and the Brazilian ambassador in Baghdad.

An official source said that during the talks the two sides discussed the results of the Iraqi-Brazilian joint committee's meetings and scopes of cooperation between the two countries in all fields. The source added that Taha Yasin Ramadan and Roberto de Abreu Sodre expressed satisfaction at the results of the talks which reflect the advanced level Iraqi-Brazilian relations have attained. INA has learned that a joint communique will be broadcast in Baghdad and Brasilia at the end of Taha Yasin Ramadan's visit to Brazil and that it will contain the results of the political and economic talks the first deputy prime minister has had with Brazilian officials.

Ramadan Meets Sarney

JN290933 Baghdad Voice of the Masses in Arabic 0700 GMT 29 May 86

[Text] Brasilia -- Taha Yasin Ramadan, RCC member and first deputy prime minister, met in Brasilia last night with Brazilian President Jose Sarney. Ramadan conveyed to him President Saddam Husayn's greetings and appreciation of the developed relations between Iraq and Brazil as well as the Iraqi leadership's desire to promote cooperation in all fields in the interest of the two friendly peoples. The Brazilian president asked Ramadan to convey his greetings and appreciation to President Saddam Husayn as well as the Brazilian Government's eagerness to maintain and expand its cooperation with Iraq in the economic, technical, and trade fields.

Bilateral relations and the prospects of their development in all spheres were reviewed during the meeting. The two sides stressed the importance of finding new areas that help expand the present bilateral cooperation. The talks also dealt with the developments of the Iranian aggression against Iraq and both Arab and international issues of common concern. RCC member and Trade Minister Hasan 'Ali, the Iraqi ambasador in Brasilia, Brazilian Industry and Commerce Minister Jose Hugo Astelo, and the Brazilian ambassador in Baghdad attended the meeting. The Brazilian president hosted a luncheon yesterday in honor of Taha Yasin Ramadan and his delegation.

Ramadan Meets Military Chief

JN290946 Baghdad Voice of the Masses in Arabic 0700 GMT 29 May 86

[Text] Brasilia -- Taha Yasin Ramadan, RCC member and first deputy prime minister, received at his place of residence in Brasilia last night Admiral Jose Maria do Amaral Oliveira, chief of staff of the Brazilian Armed Forces. Bilateral relations and the ways to develop them in the pertinent fields were discussed during the meeting. The Iraqi and Brazilian ambassador in Brasilia and Baghdad attended the meeting.

Joint Communique Issued

JN300656 Baghdad Voice of the Masses in Arabic 1900 GMT 29 May 86

["Text" of Iraqi-Brazilian joint communique issued in Baghdad and Brasilia on 29 May at the conclusion of First Deputy Prime Minister Taha Yasin Ramadan's visit to Brazil]

[Text] 1. At the invitation of the government of the Federative Republic of Brazil, Taha Yasin Ramadan, RCC member and first deputy prime minister of the Republic of Iraq, paid an official visit to the Federative Republic of Brazil from 26 to 29 May 1986. The first deputy prime minister was accompanied by Hasan 'Ali, RCC member and trade minister, and a high-ranking delegation.

2. His Excellency Brazilian President Jose Sarney received Taha Yasin Ramadan.

3. Taha Yasin Ramadan met with Army Minister General Pires Leonidas, Industry and Commerce Minister Jose Hugo Castelo Branco; Admiral Jose Maria do Amaral Oliveria, chief of staff; and Lieutenant Paulo Roberto Coutinho Camarinha, acting minister of the Air Force.

4. Taha Yasin Ramadan held two working sessions with Foreign Minister Roberto Sodre. Talks dealt with regional and international issues of common concern and bilateral relations and ways to promote them in harmony with the close ties linking the two countries.

5. The two sides expressed their satisfaction with the atmosphere of profound friendship and understanding which permeated bilateral meetings with a view to increasing the volume of bilateral exchange in all fields. They emphasized their intention to continue strengthening their relations in the political, economic, trade, cultural, technical, information, and other fields in the service of the two friendly peoples and on the basis of reciprocal interests, respect for sovereignty, and noninterference in internal affairs.

6. The two sides expressed their satisfaction with the great similarity in the two countries' stands on the various international issues. They also expressed the hope of seeing more harmony in cooperation among states.

7. Upon reviewing the international situation, they expressed their concern over the exacerbation of the atmosphere of confrontation and local areas of tension and the tendency to use force as a means to resolve disputes among states. These are factors that increase the dangers posed to world peace. They stressed their conviction that dialogue and negotiations are the best methods to resolve international disputes and contribute positively to peace and harmony among nations.

They stressed their hopes for the role that the Nonaligned Movement should play to entrench the bases of international cooperation and safeguard the independence and sovereignty of all nations as well as these nations' aspirations for a lasting peace and independence in adopting political decisions and for a new world economic order.

8. The Brazilian side listened to a detailed explanation presented by the Iraqi guest on Iraq-Iran war developments, particularly Iran's insistence on continuing and escalating the war and its rejection of all the initiatives undertaken by the UN Security Council, the Nonaligned Movement, and the ICO [Islamic Conference Organization] for the sake of achieving a peaceful, just, and comprehensive settlement in accordance with the UN Charter and international law, which poses a serious threat to peace and stability in the region and impedes the progress and prosperity of its peoples.

9. The first deputy prime minister expressed Iraq's desire and determination to reach a comprehensive, just, honorable, and unconditional solution to the armed conflict between Iraq and Iran based on the UN Charter and international law.

10. The Brazilian foreign minister expressed his country's grave concern over the intensification of the conflict between Iraq and Iran. He expressed the Brazilian Government's firm support for all of the initiatives aimed at halting the fighting, especially the UN efforts. In this regard, Minister Roberto Sodre appreciated Iraq's positive response to peace calls. He reiterated the call for solving differences between the two countries peacefully through negotiations in accordance with the UN Charter and international law.

11. Upon reviewing the situation in the Middle East, the two sides expressed their concern over the continuation of tension in the region. They reaffirmed their conviction that a just, comprehensive, and lasting peace can only be achieved by ending the Zionist occupation of the occupied Arab territories, including Jerusalem, and by the Palestinian people's exercise of their inalienable rights, such as their right to repatriation, self-determination, independence, and sovereignty in Palestine in accordance with the UN Charter and its pertinent resolutions. In this regard, the two sides reaffirm their recognition of the PLO as the Palestinian people's sole legitimate representative.

12. Upon reviewing the situation in Africa, the two sides expressed concern over the increasing violence in various parts of this continent, particularly in South Africa. They appealed to the international community to continue efforts to find solutions that will help establish a lasting peace.

13. They reiterated their condemnation of racial discrimination and repressive measures in South Africa. They affirmed their firm decision to support all measures aimed at putting a final end to the racist practices there. They firmly condemned the aggressions being committed by South Africa against neighboring states.

14. They expressed the hope that the independence of Namibia will be expedited in accordance with the pertinent UN resolutions.

15. In view of the serious disputes in Central America, the two sides stressed their conviction that these disputes can only be solved peacefully through negotiations in a manner that satisfies the desire of the region's peoples. From this perspective, the two sides attach great importance to the efforts and initiatives being undertaken by the Contradora and Support Groups.

16. The two sides emphasized the importance of economic cooperation among the developing countries.

They noted with satisfaction that the development of relations between Iraq and Brazil is considered an ideal example in this regard.

17. During Taha Yasin Ramadan's presence in Brazil, the Iraqi-Brazilian joint committee held a special session under the chairmanship of Trade Minister Hasan 'Ali on the Iraqi side and Foreign Minister Roberto Sodre on the Brazilian side. The two sides discussed bilateral relations in the fields of trade, economic cooperation, financial affairs, and matters related to technical and technological cooperation. The two delegations agreed to ways and means of expanding and diversifying these relations.

18. They stressed the need and possibility of large-scale cooperation among the developing countries as this cooperation acquires a special meaning in the current circumstances during which the developing countries' exports to the developed countries' markets face increasing difficulties. They agreed that broader economic ties should not be confined to trade relations, but should be expanded to include all domains where cooperation can be of mutual benefit. They stressed their decision to work for the establishment of a general system on preference in trade that is being negotiated among the developing countries for the sake of expanding their economic exchanges.

19. They stressed that the protectionist measures being practiced by the more developed countries are hateful measures that destroy the great efforts being exerted by the developing countries to adjust their foreign accounts to the restrictions and fluctuations of the current economic situation.

20. They expressed their conviction that the financial difficulties facing several developing countries require comprehensive and permanent solutions. In this regard, they deem it necessary that the developed countries should have a large participation in matters related to the developing countries' foreign debts with the aim of finding a solution that takes into consideration the reciprocal interests and links between financial and trade issues.

21. The two sides expressed their satisfaction that a symposium on political, economic, and cultural relations between the Latin American and Arab countries will be held in Brasilia in July 1986. A number of personalities from the countries of both regions will take part in it. The two sides also hoped the symposium would be a unique occasion for rapprochment as it will undoubtedly be an indicator of a new stage in relations between Latin America and the Arab world.

22. The first deputy prime minister of the Republic of Iraq expressed his gratitude for the warm welcome and reception accorded to him and his delegation by the Brazilian Government.

BRIEFS

NEW POLITICAL PARTY -- A new acronym will join the national political scene, which is already quite overcrowded. The PFNL -- National Liberation Front Party -- seeks to "fill the existing vacuum in the struggle to enhance the status of black people and their descendants." The PFNL will be officially launched at the Sao Paulo City Council on 28 May at 1800. According to the PFNL sponsors, the new party will not be lead by "conservative and reactionary political chieftains" but by a "community leadership." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 May 86 p 2 PY]

APRIL CONSUMER PRICE INDEX -- The Brazilian Institute of Geography and Statistics (IBGE), which is charged with conducting consumer price index investigations, on 16 May reported that the official April inflation rate reached 0.78 percent. [Excerpt] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 May 86 p 1 PY]

CAR BOMB EXPLODES IN DOWNTOWN SANTIAGO 3 JUN

PY040302 Paris AFP in Spanish 0247 GMT 4 Jun 86

[Text] Santiago, 3 Jun (AFP) -- A car bomb exploded tonight in downtown Santiago, causing no injuries but heavy damage to adjacent buildings and to two other vehicles, the police have reported.

The car bomb exploded outside a building housing the offices of General Manuel Contreras, retired, former chief of the defunct DINA (National Intelligence Directorate), whose private residence was attacked 12 days ago.

CARABINEROS ARREST 120 DURING DEMONSTRATIONS

PA032206 Paris AFP in Spanish 2128 GMT 3 Jun 86

[Text] Santiago, 3 Jun (AFP) -- Police sources have reported that more than 120 students were arrested and several were wounded during the demonstrations which continued today in Santiago, rejecting the military government's decision to turn over the schools and state colleges to the municipalities.

According to official reports, ever since the first protests began last week, when the Carabineros broke up a group of students and professors, more than 700 demonstrators have been arrested in this capital. Disturbances today were concentrated around several colleges in the neighborhoods of San Miguel, Recoleta, and downtown Santiago, where the youths set up barricades and interrupted the flow of traffic. The Carabineros used water hoses and tear gas to disperse the demonstrators, who shouted slogans against General Augusto Pinochet's government.

During a plebiscite which was recently held by the professors, 97.5 percent of the voters rejected the turnover of the state colleges to the municipalities as the first step for a subsequent turnover to the private sector.

SEARCH IN ARICA YIELDS BOMB FACTORY, 4 ARRESTS

PY030326 Santiago Domestic Service in Spanish 0000 GMT 3 Jun 86

[Report from Arica]

[Text] The Arica authorities have received a complete police report on the search carried out by members of the Carabinero forces acting on orders of the Arica military prosecutor. The search, which has caused a great impact among the inhabitants of Arica, was carried in the building located on 2330 (Pachama) passageway in San Jose district. The corner of Tucapel Avenue and (Pachama) passageway of San Jose district has been the focus of all the latest acts of violence.

It was revealed that an extremist cell was headquartered in the raided building and that components for constructing bombs, a printing machine, Marxist literature, a photo engraving studio, a workshop for making Molotov cocktails, boxes of 50 22-mm caliber bullets, many tirebursters, literature on terrorist actions, [word indistinct], slings, gloves, ski masks and other material) were found.

The four persons arrested in the same house were identified as: Richard Aldo Duran Zina, 20; Dolly Roberta Zina Donoso, 45; Silvana Duran Sina, 19; and a Swedish citizen who entered Chile through Santiago, Andres Gerard Gichman, 21. These people have been in the custody of the military prosecutor since 2 June, together with Pedro Duran Quiroz, 43, who was living in the house and who is currently on trial for violating Law 18,314 referring to terrorist activities.

RICARDO NUNEZ NAMED NEW PS SECRETARY GENERAL

PY022243 Santiago Radio Chilena in Spanish 1700 GMT 2 Jun 86

[Text] The Chilean Socialist Party [PS], which is a member of the Democratic Alliance, held a national convention on 31 May and 1 June. Jorge Molina announced changes in the PS, saying that Carlos Briones has been replaced by Ricardo Nunez as PS secretary general Jorge Molinas said:

[Begin recording] The Fifth PS convention held on 31 May and 1 June unanimously elected Ricardo Nunez as its new secretary general. He replaces Carlos Briones, who at the conclusion of his 2-year term received the emotional recognition of his comrades, who confirmed him as a member of the PS Central Committee. [end recording]

PS Deputy Secretary Jorge Molina gave the names of some of the Central Committee members.

[Begin recording] Hernan Vodanovic, Ricardo Lagos, Jaime Estevez, Dario Pavez, Arturo Saez, Marcelo Contreras, Heraldo Munoz, (Gonzalo Mannet), Manuel Antonio Garreton, (Angel Clisev), Soledad Larrain, and others. The PS political document containing the Central Committee proposal went through a long debate and was then approved by acclamation. The convention also appointed Ramon Montes and Eduardo Trabucco as deputy secretaries and recognized (Jorge Arrat), (Eric Snake), and (Jaime Diasmuriz) as the PS representatives abroad, saying that when they return to the country they will have positions in the Central Committee. [end recording]

Jorge Molina emphasized the unity and responsibility shown during the convention. He said:

[Begin recording] The PS has shown during the convention a clear example of unity and responsibility by democratically electing all its officials in an assembly headed by Carlos Briones that concluded with the election of a new secretary general. [end recording]

The new PS executive board headed by Ricardo Nunez will hold a press conference tomorrow.

SILVA CIMMA ASSUMES 6-MONTH AD PRESIDENCY

PY021707 Madrid EFE in Spanish 2113 GMT 1 Jun 86

[Text] Santiago, Chile 1 Jun (EFE) -- Radical Party (Social Democrat) President Enrique Silva Cimma today assumed the presidency of the opposition coalition Democratic Alliance [AD] for a 6-month period.

The leadership of the AD was handed to him yesterday by Republican Right President Armando Jaramillo who on 31 May ended his 6-month period as AD president. The AD, which is made up of rightist, center and leftist but non-Marxist parties, has a 6-month rotational presidency.

In the report about his administration which he delivered at the ceremony at which the presidency was transferred to Silva Cimma, Armando Jaramillo noted that in view of the failure of last year's repeated efforts to talk with the regime, there is no other alternative other than social mobilization." He added that we are talking about "a peaceful social mobilization" and that "we are categorically opposed to a violent social mobilization."

During the ceremony, the AD also approved a political vote through which it notes that "elections must be held new since this is the only manner in which we can confront the institutional, economic and social crisis." The AD also supports the National Accord for a Transition to Full Democracy, an agreement that was signed in August 1985 by 11 political parties encompassing rightist parties close to the government and AD members. The political vote approved by the AD describes the National Accord as "the proper institutional and political framework to hold the much-needed negotiations between civilians and the armed forces."

New AD president Alejandro Silva Cimma, former national comptroller general, will soon travel to Lima, Peru where he will attend the International Socialist Congress and run for one of the vice presidencies.

PURCHASE OF BRAZILIAN ARMS REPORTEDLY HALTED

PY040301 Madrid EFE in Spanish 2212 GMT 3 Jun 86

[Text] Santiago, 3 Jun (EFE) -- A Foreign Ministry source today said that Brazil is no longer selling arms to Chile. This information was published by the newspaper LA SEGUNDA, quoting "a Foreign Ministry source" without further identification.

The evening newspaper added that "the Foreign Ministry has recalled that reports of the sale of Brazilian arms to Chile were published during Peruvian Foreign Minister Allan Wagner's visit to Santiago."

ANDRES ZALDIVAR TO STEP DOWN AS HEAD OF IDC

PY292218 Santiago EL MERCURIO in Spanish 24 May 86 p C-3

[Text] Andres Zaldivar, president of the Christian Democratic International, announced on 23 May that he will not seek re-election because he wants to dedicate all his time to political activities. On 23 May the political leader traveled to the Dominican Republic, at the invitation of Joaquin Balaguer, a presidential candidate in that country's elections. Afterward he will participate in the congress of the Italian Christian Democratic Party in Rome. He will then travel to Barcelona, Spain, where he will give a conference on "Relations Between Latin America and Europe." Finally, Zaldivar will chair the assembly of the IDC [Christian Democratic International] in Lisbon, Portugal, where he will give a report on his tenure as head of the ideological organization. He will also officially announce that he will not seek his re-election.

OPPOSITION TO HAVE 47 OF 71 CONGRESSIONAL SEATS

PA031307 Quito Voz de los Andes in Spanish 1130 GMT 3 Jun 86

[Excerpts] The Pichincha Provincial Electoral Tribunal will begin the official and final vote counting of the 1 June electoral process on 9 June, according to Dr [name indistinct] Yepes, member of that organization. According to the last bulletin issued yesterday by the Electoral Information Service and to an initial estimate made by newspaper HOY, the opposition would have 47 of the 71 deputies in the next National Congress. This significant majority, which is almost two-thirds of the parliament, would be made up by 39 provincial deputies elected on Sunday and 8 national deputies.

In contrast, the rightist parties that initially made up the National Reconstruction Front, which could be considered the official parties, would have 15 deputies. Parties considered independent, namely the Concentration of Popular Forces, Radical Alfarista Front, and the Democratic Party, would have nine parliamentary seats. The Democratic Left and the Social Christian Party remained as the main parties at a national level. Meanwhile, the Socialist Party, which increased from one to seven deputies, would become the third parliamentary force. The 1 June elections also reflect an important change in the political structure of the country

PRESIDENT TO ANALYZE HIGH-LEVEL RESIGNATIONS

PA041333 Quito Voz de los Andes in Spanish 1130 GMT 4 Jun 86

[Excerpt] Leon Febres Cordero, president of the Republic, will analyze each resignation presented by state ministers and top government officials this week in order to make a decision next week.

Sources close to the president said that Febres was forced to postpone the finding of a solution to the cabinet crisis due to the electoral process and the popular consultation.

In statements made a few days ago, Government Minister Luis Robles Plaza recalled that Leon Febres Cordero wants to resolve the problem as soon as possible and that the results of the elections and popular consultation would in no way have a bearing on the way he would resolve the problem involving the resignation of his closest collaborators.

ALLAN WAGNER ON RELATIONS WITH CHILE, U.S.

PY021936 Lima Panamericana Television Network in Spanish 0200 GMT 2 Jun 86

[Interview with Foreign Minister Allan Wagner by reporter Fernando Vazquez, from the "Panorama" program; date and place not given -- live or recorded]

[Text] [Vazquez] Good evening, minister. Thank you for being here.

[Wagner] Good evening, I am pleased to be here for the first time.

[Vazquez] You have just returned from a trip to Chile which Lima Mayor Alfonso Barrantes has called untimely. However, you have said that your visit was not political but technical. Was it only technical? What did you obtain in Chile?

[Wagner] It was a technical trip. My visit to Chile was part of a series of trips that have been taking place with the purpose of dealing with interests of state and not with ideological matters. Interests of state are permanent and are concretely related to the compliance of the 1929 Treaty of Lima and with limiting expenditures on weapon purchases.

[Vazquez] What progress has been made regarding the 1929 Treaty?

[Wagner] We are making considerable progress in the implementation of two pending articles: Article 5 which deals with port facilities for Peru in Arica; and Article 11 which concerns the construction of a peace monument on the Arica Hill.

[Vazquez] Would you say that detente is the objective of our negotiations with Chile?

[Wagner] Certainly, we wish to attain a real and permanent detente, and not temporary rapprochement. We are not working on a temporary issue but on essential ones, important to the relations between our countries.

[Vazquez] But up to what point is it possible or easy to come to an understanding with a government like that of President Pinochet? You had an interview with General Pinochet, what did you talk about?

[Wagner] We talked about our activities at the level of foreign ministers. That is, about the implementation of the 1929 Treaty and about the limitation on weapon purchases. President Pinochet has confirmed his government's total willingness to comply with these issues. Therefore, my visit, besides being a basic courtesy call, was a working visit It was important because the Chilean president himself has reaffirmed the Chilean state policy that is being carried out by its foreign minister.

[Vazquez] Does this mean that it will be possible in the future to arrive at an agreement on the limitation of weapon purchases between Chile and Peru?

[Wagner] Limiting expenditures for weapon purchases must be considered within a process. President Alan Garcia specifically said in his inauguration speech that we should attain a regional agreement to limit expenditures for arms. It is very important to deal with this at a bilateral level. Therefore we decided to undertake this project first with Chile because it was the first country that reacted favorably to President Garcia's initiative. We also wished to set the precedent to later include other countries.

[Vazquez] Would this agreement on limitation of the weapons be related to a regional disarmament agreement, from a more ambitious point of view?

[Wagner] We are trying to obtain a limitation of weapon purchases which is not the same as what you just asked.

[Vazquez] Could we arrive at such an agreement?

[Wagner] The future will tell.

[Vazquez] Well, what do you think?

[Wagner] I think that as long as we are able to make progress in political cooperation, effective detente and on Latin American unity, we will be able to arrive at that point.

[Vazquez] Minister, during an interview here on 25 May, writer Mario Vargas Llosa mentioned that one of the favorable aspects of the American Popular Revolutionary Alliance [APRA] administration is the agreement with our neighbors, Chile and Ecuador, on limiting expenditures on weapon purchases. However, Vargas Llosa also said that this agreement could be spoiled if Peru insisted on approaching Cuba, which is something that, in his opinion, is happening. Do you think that Vargas Llosa's opinions are well-founded?

[Wagner] His opinions could be well-founded in the sense that in our position the countries of the region could see an anti-imperialist and nonaligned policy different from the one we are following. I do not think that any objective observer of Peruvian foreign policy could arrive at this conclusion. Our policy is nationalistic and in favor of integration, by which we mean the unity of all Latin American countries without exception, as well as being an anti-imperialistic, nonaligned policy. We wish to stress this aspect in all our actions.

[Vazquez] In any case, would you admit that the current relations between Peru and Cuba are much closer than they have been recently?

[Wagner] Well, that is obvious, considering the fact that for 5 years there was no Peruvian ambassador to Cuba or Cuban ambassador to Peru. Our administration considered it convenient to normalize the diplomatic relations between the two countries.

[Vazquez] Up to what point do you think there are coincidences between this rapprochement to Cuba you mentioned and the alleged estrangement in our relations with the United States?

[Wagner] I have repeatedly said that there is no general confrontation with the United States. Our relations with this country are being carried out through normal diplomatic channels. Of course since our government is trying to follow a nationalist and popular line in the domestic field and an anti-imperialistic and non-aligned position in the foreign field, it also means that we must reject some situations on the current international system which limit and hinder our autonomous development. Since the United States is the main country within that system, we evidently clash with some aspects of U.S. foreign and economic policy.

[Vazquez] You have just said that one of the objectives of Peru is anti-imperialism. What are the limits of this anti-imperialism?

For example, how can we announce in the United Nations a clash with or even a break away from the IMF, while we undertake negotiations to try to solve our foreign debt situation?

[Wagner] To begin with, our anti-imperialism is democratic, that is, we are against any sort of hegemony or interference from any country or world power. Your question has a conceptional mistake, because what President Garcia has clearly said in the United Nations is that Peru is decided in its struggle to try to obtain changes in the international financing and monetary system. He wished to attain a consensus...

[Vazquez, interrupting] What is the relation between positions?

[Wagner] ...that consensus is real, and it has been proposed and approved at the level of nonaligned countries to propose a reform in the international financing and monetary system.

[Vazquez] However, this proposal was not put into practice. No country has said yes, we will also only use 10 percent of our income from exports to pay our foreign debt. No one has said that it would support withdrawing from the IMF.

[Wagner] To begin with, Peru never said it would withdraw from the IMF, let's be clear about this.

[Vazquez] Then it has insinuated.

[Wagner] That is your interpretation. President Garcia said in New York that Peru rejected the current international financing and monetary order in force, that Peru would try to reform it. He said that Peru is not interested in belonging to an organization that does not represent our interests but rather those of a great power.

[Vazquez] Some international analysts say that the Peruvian position seeks a confrontation with the IMF, the United States and international organizations. Do you think it is true?

[Wagner] I think that the nationalist position of Peru, which seeks to develop policies not subordinated to the international order in force, and to likewise overcome the obstacles imposed on Peru by that same international order in force, is a policy that evidently clashes with some aspects of that international order and its main world power. We just mentioned this.

[Vazquez] Are there some limitations to that position?

[Wagner] What limitations do you mean?

[Vazquez] For example, limits on...

[Wagner, interrupting] The only limitations are the interests of Peru.

[Vazquez] ...and no other subjugation?

[Wagner] We reject any subjugation to any world power and any international system.

[Vazquez] Something else, minister. Will President Garcia make more trips abroad?

[Wagner] Certainly. The president has postponed his scheduled visit to the European Parliament in Strasbourg, where he was invited, and which should have taken place by mid-June. The president will resume his international agenda in July with trips to Panama where he has repeatedly been invited. The president was also invited to Mexico as President De la Madrid's guest. Therefore his international agenda is quite full. However, the president, as a very responsible person, must combine his international agenda with domestic responsibilities.

[Vazquez] Minister Wagner, thank you very much for this interview, and we hope we can continue our talk about Peruvian foreign policy on another occasion.

[Wagner] Thank you, it has been very interesting to talk with you and I hope it has also been interesting for the audience.

BANK, WAREHOUSE BOMBED IN TERRORIST ATTACKS

PY021859 Madrid EFE in Spanish 1440 GMT 2 Jun 86

[Text] Lima, 2 Jun (EFE) -- Presumed Shining Path terrorists this morning perpetrated several bomb attacks in the city of Huancayo, 415 km southeast of Lima. The terrorists attacked the offices of the Peruvian Credit Bank and the warehouse of the state-owned water utility company. According to the police reports, the explosives used were powerful and resulting damage is severe. Some arrests have been made.

PUBLIC SCHOOLS REOPEN AFTER 18-DAY STRIKE

PY281600 Lima Radio del Pacifico in Spanish 1300 GMT 28 May 86

[Text] Classes resumed peacefully yesterday in public schools that had been closed for more than 18 days by a national strike ordered by the Sole Trade Union of Education Workers [SUTEP]. This labor situation seems close to being solved definitively, and thousands of students were seen early yesterday on their way to school.

STATE OF EMERGENCY, CURFEW EXTENDED 60 DAYS

PY031524 Lima Radio del Pacifico in Spanish 1300 GMT 3 Jun 86

[Text] The government has extended the state of emergency and curfew in Lima for 60 days. The extension was announced by a supreme decree published in the official bulletin today. All guarantees remain suspended according to the decree.

ARCHBISHOP ON MILITARY MEN'S 'INTERFERENCE'

PA021724 Panama City EXTRA in Spanish 2 Jun 86 p 7

[All quotation marks as published]

[Text] The military's interference in the government's civilian areas prevents a true process of democratization in Panama, Archbishop Marcos McGrath said in yesterday's homily at the XVI Eucharistic Meeting. Addressing the thousands who had gathered at the Nuevo Panama Gymnasium, and heard by thousands others on a national television network, he made a vibrant and forceful appeal "to demolish the walls of hatred and vested interests that divide and separate us."

Pointing out that we lack political culture, Archbishop McGrath said that in practice there is a tendency to confuse the government with the state "or some political party with the government."

"The Defense Forces' mission, which in the Constitution is established as that of guaranteeing "the national defense and the public security, is extended to civilian areas of the government, which should be conducted with another spirit and in accordance with other norms. This creates new conflicts and prevents the process of democratization that the government has been announcing for years," the homily asserts.

Later the archbishop said that Panama is now so divided that we have reached a point where the country differentiates between "good and bad Panamanians, a language that does not help create a peaceful climate."

Noting "that it is urgent that we convince ourselves that "peace is possible, that it depends on us," and that we will achieve it through "justice in dialogue, the archbishop said that "for some time now the bishops have been pointed out serious defects in Panamanian politics, which keep it from being what it should be: a creator of public and social peace among us."

In the first part of his homily, the archbishop explained the biblical passages chosen for the eucharistic meeting, liturgy beginning with Paul's assertion that "Christ is our peace."

In its final part, the homily refers to the social communicators, who have been "so criticized in recent days," and tells them "that we know how difficult your task here in Panama is."

The archbishop urges them "in God's name to always defend freedom of expression, but to exercise it with great respect for truth and individuals."

BRIEFS

OFFICIALS RESIGN -- President Eric Arturo Delvalle has accepted the resignations of Miguel Montiel as assistant general director of the National Cultural Institute and Agustin Sellhorn as labor and social welfare deputy minister. Raul Taboada was appointed to replace Mr Sellborn. [Summary] [Panama City Televisora Nacional in Spanish 0000 GMT 27 May 86 PA]

AMBASSADOR APPOINTED -- Roger Decerega is ready to go to Buenos Aires as the new Panamanian ambassador there. He replaces Roberto Puello Arauz. [Summary] [Panama City EXTRA in Spanish 29 May 86 p 5 PA]

COSTA RICA

ARIAS DISCUSSES CONTADORA WITH GEN GALVIN

PA031500 San Jose Radio Reloj in Spanish 0100 GMT 3 Jun 86

[Text] President Oscar Arias has met with U.S. General John Galvin, chief of the U.S. Southern Command, during a protocol visit paid by the latter. Presidential Adviser Danilo Jimenez Veiga and U.S. Ambassador Lewis Arthur Tambs were present at the meeting, which lasted 1 and 1/2 hours in Arias' office. During the meeting, which was the first between the president and the Southern Command chief, Central American issues and the future of the Contadora Group were discussed.

Arias voiced to Galvin his interest in seeing that the Contadora Document contains a mechanism to verify the democratic system chosen by the free election of the peoples. He reiterated that, as president of Costa Rica, the most important thing for him is the political aspect and not disarmament, in contrast to other area countries. Arias insisted that we must verify that Central American countries achieve democratization and ensure that the instruments needed to carry this out are guaranteed.

President Oscar Arias said that he opposes the signing of the Contadora Document without a previous guarantee that the democratic processes in the area can be verified. He added that signing the document without guaranteeing such a condition would harm the good faith of the entire world hoping for the establishment of democratic governments. Arias said that the signing of the document is not the objective, but the willingness of the rulers and peoples to establish democratic systems in the area. [sentence as heard]

The Contadora Group is for the time being the only existing forum to discuss Central American problems and to establish national policies in regard to the isthmus, said President Oscar Arias. He added that all countries interested in achieving peace in the area have expressed support. If the peace document is not signed on 6 June that does not mean that it could not be signed later on. The important thing for Costa Rica is not to sign the document to satisfy public opinion, but to ensure that such a document guarantees the verification of democracies on the isthmus.

POLITICAL ASYLUM GRANTED TO EDEN PASTORA

PA031847 Hamburg DPA in Spanish 1834 GMT 3 Jun 86

[Text] San Jose, 3 Jun (DPA) -- Costa Rican President Oscar Arias announced today at noon that Costa Rica will grant political asylum to Eden Pastora Gomez, the well-known Commander Zero, who last month withdrew from the struggle against the Nicaraguan Government and requested asylum in Costa Rica. Pastora has been granted asylum under the condition that he abstain from participating in any war-related activity. "I am happy, extremely happy," said Pastora upon learning about the Costa Rican Government's decision.

Arias, Madrigal Comment

PA031932 San Jose Radio Impacto in Spanish 1852 GMT 3 Jun 86

[Report by Ana Cecilia Espinach at the Presidential House in San Jose]

[Excerpts] We will now give a summary of the activities at the Presidential House this morning. There is a slight contradiction between the Costa Rican president and foreign minister with regard to granting political asylum to Eden Pastora. Regarding this situation, President Oscar Arias Sanchez evaded an affirmative answer on the asylum. This is what he said:

[Begin recording] [Arias] We are going to discuss it this afternoon.

[Unidentified reporter] What mechanisms might be used to see whether Eden Pastora fulfills the conditions for the asylum?

[Arias] There must obviously be good will on his part. We will also make sure that what we are demanding as conditions be fulfilled by him.

[Reporter] Does this mean [words indistinct]?

[Arias] We will see. [end recording]

For his part, Foreign Minister Rodrigo Madrigal stated that the political asylum has already been granted, and it is possible that the decree granting it will be signed this afternoon. This is what he said:

[Begin recording] [Madrigal] No, we have not signed it today. The president has not (?read) it. I am preparing it. But there is an understanding, an agreement [words indistinct] talked about it, and it was decided to grant that asylum.

[Espinach] Under what conditions will Pastora live in Costa Rica? In complete freedom?

[Madrigal] He will live like any other person who is granted asylum. [end recording]

Those were the foreign minister's words when he said that an agreement has been reached o grant political asylum to Pastora. [passage omitted]

DUARTE DELIVERS STATE OF NATION ADDRESS

PA012150 San Salvador Domestic Service in Spanish 1617 GMT 1 Jun 86

[State of the Nation address by President Jose Napoleon Duarte at the Legislative Assembly -- live]

[Text] Salvadoran people: This is an important moment for our country's democracy; the Salvadorans are witness to the [words indistinct] of incomprehension of the democratic institutions that sectors of the opposition have evidenced today with their absence, as the Tupamaros and Montoneras do in South America. [applause]

I regret that these sectors fail to understand that the only way to face up to the crisis brought on by the extreme left wing is to participate in the democratic institutions, that postures like the one assumed today make them party to that crisis.

Mr President of the honorable Legislative Assembly, Mr President of the Supreme Court of Justice, Mr Vice President of the Republic, Messrs Deputies of the honorable Legislative Assembly, Messr Justices of the honorable Supreme Court of Justice, Your Excellencies ambassadors and charges d'affaires accredited in the country; Messrs Ministers and Deputy Ministers of state; Messrs representatives of the Armed Forces; Messrs Presidents of the independent government agencies, beloved members of my family; ladies and gentlemen:

We arrive today at the second anniversary of my term as constitutional president of the Republic and general commander of the Salvadoran Armed Forces; that is the reason for this State of the Nation address.

I wish to point out that in due time the members of cabinet, in line with their constitutional duties, will come to submit the work reports pertaining to each branch of the government. This state of the nation address is therefore an overall evaluation of the country's current situation and its background, the unethical conduct observed by the extremists in an attempt to upset the democratic process, and the problems and sensitive measures and decisions we have had to take so that, through the effort of the people and government, this country may get ahead to become the architect and master of its own future.

We are satisfied because over the past 2 years we have made significant progress in the political, economic, social, military, and international realms, despite having met obstacles of various natures, which are the result of the deep crisis we inherited upon our assumption to power.

This crisis arose because the people's basic rights to elect their leaders freely and democratically at the polls and to pursue a decent and honorable existence through greater participation and improvement in the social and economic ladder were suppressed. The absence of political pluralism, the existence of unjust socioeconomic structures, and the denial of the people's fundamental rights are the causes that led us to the crises, the violence, and the conflict we are facing today. All of us are also aware that the crisis is made more acute by the tremendous effects of a war imposed on us with the help and sponsorship of the Marxist governments of Cuba, the Soviet Union and Nicaragua.

We know a great deal remains to be done. We will persevere in line with the country's goals and plans, making all the necessary efforts to reach the goals of peace, democracy, and social justice.

To have a better understanding of the prism through which I am governing, we must examine what I have termed the strategic factors of political space, leadership style, and the plan we have adopted to face the crisis, which is not only structural, but generalized. We are confronted with three crisis levels: the world crisis, the Central American crisis, and the domestic crisis. Each one influences the other. These crises are mainly projected in two directions: the economic and military phenomena. El Salvador is plagued by the two crises and they have thrust it against a world that is also in crisis.

In Central America we also find a crisis that results from a view according to which Nicaragua feels that, for its own security and survival, for its own historical project, it needs to destabilize the rest of Central America. I have told Commander Ortega directly and personally that we Salvadorans know that he is looking for a protective ring and that Nicaragua feels that to the extent that it keeps the other area countries destabilized and in a state of tension; to the extent the problem is not only with Nicaragua, but with all of Central America. That is why Nicaragua, as the determining element supporting the Salvadoran guerrillas, contributes to the detabilization of El Salvador.

The Central American conflict arose from domestic phenomena in each of the area countries. To deny the existence of Somoza and the emergence of a Sandinist revolution that took power would be to deny a fact. To deny that there have been dictatorships in our country that have caused revolutions, both the violent revolutions through the guerrillas as well as the democratic revolution through the Armed Forces proclamation, would be ignoring a reality, in which there is no East or West.

The Soviets and the Cubans were present during the recent Contadora Group meeting in Costa Rica. Why were the Soviets and Cubans in permanent communication with the Nicaraguans during a Contadora Group meeting? This can only be interpreted as meddling in Central American affairs on the part of those countries. Hence, this conflict did not emerge from the East-West confrontation and develop into a process in Central America; it emerged in Central America and has acquired a larger dimension, to the extent that it has become a world problem and part of the East-West confrontation.

There is no doubt that Central America is facing serious difficulties. We must choose between the democratic or the totalitarian options. Can the two coexist, or does one exclude the other? That is the big question. We have chosen the democratic option; we will continue faithfully on that path, trying to make democracy a reality and hoping that Nicaragua will join a democratic life of a participative and pluralist nature, so that its people can live in liberty and harmony with the other Central American peoples.

In the domestic field, there are positions such as the one maintained by the extreme left, which seeks to destabilize the country, in order to impose Marxist totalitarianism. There is also the extreme right position, which seeks a return to old schemes, while others respond to foreign interests, seeking greater intervention in our sovereign affairs. The extreme left and extreme right strategies are both aimed at closing the political scope within the democratic process that the government and people are promoting and strengthening.

The extreme left fosters and wants a prolonged people's war. The solution to that type war is not simply a military solution; the prolonged people's war has six factors: the social, ideological, political, military, economic, and international factors in the strategy against the left. The political democratization project is fundamental.

This project goes into the structural causes or the roots of the crisis and creates a new political scenario based on liberty, pluralism, and social justice. The democratic revolution faces and eliminates the causes of violent revolution. This is the fundamental concept.

Of course, this leads us to confront the other strategy: the extreme left's... [corrects himself] the extreme right's strategy, which consists of recovering and maintaining the basis of its power, which lays on the four great hegemonic forces: the economic, military, political, and international forces. These four forces remained united for many years in order to maintain total domain over the country. Our work has consisted of dismantling the hegemonic powers and instead, distributing power based on a pluralist democracy. We are touching all the elements included in the extreme right and extreme left concepts. For this reason, the two sectors want to promote destabilization and work together toward this end. Even though they have different objectives, they want to destabilize our system of democratic revolution, because it is producing positive effects, which are definitely changing the country.

From the historical viewpoint, my government is a government of transition and consolidation between the oligarchic dictatorship of the past 50 years and the dynamic democracy we will experience in our country in the future.

With absolute clarity, the government has presented its political program and economic model -- which seek to strengthen democracy and development -- and has made huge efforts to achieve a broader consensus, trying to harmonize interests and social conflicts, thus creating the possibilities for broader political participation so that the new measures -- economic, social, political, and so forth -- can fit adequately in the new political scope, without affecting the other parts of society.

We are progressing in the various areas at different speeds and according to the circumstances and real possibilities. We are acting prudently and without haste.

As we mentioned before, we are facing an overall crisis. My government has also proposed overall solutions: for war, peace and humanization; for the political crisis, democratization; for social disintegration, participation; for the economic crisis, economic stabilization and reactivation. All these steps are accompanied by an international policy whose main objective is demanding respect for our country and creating a new image in order to give our country its rightful place within the concert of nations.

In order to evaluate the measures taken justly, we must establish comparative parameters between what we were in the past, what we currently are, and what we will be in the future. We must constantly analyze the progress made in that direction. In other words, we must assess the work done based not on its absolute value but on its relative value, as in order for an evaluation to be realistic, it must be historical.

In the political field, when I assumed the presidency on 1 June 1984, I found a country that was highly polarized between the right and left.

The two extremes occur in different circumstances, as the Salvadoran people know. The two extremes however, coincide on a common point, namely, the historical realization of a totalitarian plan. This meant to practically immerse the country in more (?denunciations), anxiety, insecurity, and disrespect for human rights. (?Although) the out-and-out conservatives turned revolutionary and intransigent, the two proposals proved totalitarian. The political process we initiated in June 1984 has elicited a crisis among both extreme leftists and extreme rightists.

Among the extreme leftists, the crisis has appeared in the form of the historical impossibility of their achieving victory through the use of arms. Democratic changes propel them into divisionism and to seek a place in the democratic spaces that have been opened. In this way, the leftist plan must be redefined so they can effectively join the (?process), provided they desire democracy and respect the people's will.

The rightists also have experienced a crisis. The first and most important sign of this crisis was their loss of political power in June 1984. This loss constituted the visible expression of the two fundamental factors of their crisis. One of them was their inability to draft a convincing historical program for the Salvadoran people. That would fuse their political and social interests with their economic interests. The other was their inability to find a political instrument to properly represent, bind, and unite them.

This crisis in the totalitarian stances has been a fundamental achievement during these 2 years of our government. If the leftists and guerrillas were present here, they would also possibly be absent from these tables. [Sentence as heard] This crisis in the totalitarian stances thus represents an attainment of the fundamental process of these 2 years. This achievement has a truly positive balance. In the first place, it has contributed to reducing the violence and insecurity that prevailed in the country in the past. Common crime is today differentiated from political crime and each case is properly dealt with. In the second place, with their various shades, the rightists have gradually acknowledged the validity and importance of the democratic offer and have been making efforts to join this democratic process. In turn and also with their shades, the leftists appear to be gradually understanding -- due to the very nature of the process and the weight of circumstances -- that they have no other choice than to join the country's normal political life. These are the two positive effects of our policy versus the totalitarians' efforts in regard to the crisis.

There has also been a negative effect. Not having any other mechanisms, they have tried to polarize the public against the government, thus ceasing to be objective. With this polarization, they seek to minimize our achievements and damage the government's image here and abroad in order to discredit the democratic process currently in progress. This attempt to damage the image has ranged from public demonstrations to advertisements in the news media. They have not realized, however, that their effort to damage my government's image is not tantamount to damaging the democratically achieved political authenticity. This is why the people have not responded to their appeals. Despite a campaign of attacks, the people have continued to back the democratic process with their actions. The negative aspects in the crisis of the totalitarian stances have but reaffirmed the people's democratic vocation.

All this can be summed up by stating that, from a political standpoint, the government enjoys a triple authenticity namely, its origin, practicality, and historical destiny. The authenticity of its origin is based on the fact that this government was born of the people's will. This is the first democratically elected government and the first one that, since 1932, has not been imposed by previous governments. The government's practical authenticity is apparent every day. It is represented by the daily solution of the difficult circumstantial and structural problems. Our authenticity in terms of our historical destiny is based on the fact that my government is the first one possessing a doctrinal and ideological concept that allows it to have a vision and a historical projection. This government seeks the common good for a new, fairer, more equalitarian, freer, and more participatory society. [applause]

A special mention must be made of the reality of the democracy that we have succeeded in establishing in our country. Tolerance, understanding, and respect for fundamental liberties are characteristics of our government style, which fills us with genuine pride.

The exercise of liberties within a legal framework is unrestricted. This exercise cannot be questioned and all impartial observers have acknowledged this. The government's respect for other people's opinions is absolute. Even when those opinions have been expresed exceeding ethical, legal, and national interest limits, and despite those excesses, we have made all possible efforts -- faithful to our democratic vocation -- and have succeeded in letting the people express their opinions in full liberty with the certainty that this is a right inherent in democracy.

We have accomplished and advanced a great deal over these 2 years in the way the art of politics is practiced in a democracy. I believe that as president I must set an example of respect and tolerance so that we will all gradually learn to live in a democracy. [applause]

The crisis is most conspicuously evident in the social behavior, in the pattern of generalized disobedience that has emerged over the past several years in our country, slipping away from the legal order, causing the loss of those values that must be the standard of all civilized societies, and generating in the innermost depths of our society absolute contempt for and violation of man's foremost possessions: his life, freedom, dignity, ethics, and justice. The greatest harm inflicted on society is the loss of said values, which entails a displacement and substitution of the moral codes of conduct.

Another trait of this disobedience of breaking with the rules of coexistence is the generalized unlawfulness. Large sectors of our society choose to act outside the law because in any event, their crimes go unpunished. This has gone so far that a simple traffic violator -- and we have all been witness to this -- almost believes that his infraction is worthy of applause. There are other kinds of rules that are also routinely broken. We thus observe that the life, property, and honor of people become low-value assets, and citizens who belong to all kinds of professional associations make extortion, theft, abuse of authority, and kidnapping a source of easy profit that is safe because it is secret. This goes against all civilized rules, against all morals and principles. That environment -- characterized by disobedience, impunity, and illegality -- produces on the one hand, the death squads, which in reality are real groups of criminals thirsty for blood and easy money [applause], real groups of criminals thirsty for blood and easy money [repeats himself] which seek impunity, concealing themselves and utilizing business sectors and, in some cases, even irresponsible members of the Armed Forces. On the other hand, the extreme left-wing has no qualms about staging similar actions. It proceeds to stage kidnappings, including the cases of the mayors, Colonel Avalos, and my daughter. They destroy and murder, like in the cases of the Zona Rosa, the machinegunnings of passenger buses, the placing of mines in civilian-populated areas, the politicalization of labor movements, the routine destruction of community services.

These are the statistics for 1986:

Extreme left-wing: 187 murders, 221 kidnappings, 316 threats, 317 attacks against the transportation services, not counting the 96 attacks and 412 harassment actions against towns and villages, and the 2,657 clashes that have taken place.

All of this leads to widespread uncertainty. It is part of a strategy intent on destabilizing the democratic system through terror and violence. It seeks to undermine our people's faith and hope and put democracy on the defendant's stand to destroy and turn back the democratization process.

Despite all of the pain and death they have failed, and it is our duty to see that they do not attain their ends. For this we have a government that emerged by popular will, an Armed Forces that is aware of its professional and historical responsibilities [applause], and a people, who after more than a century of authoritarianism espoused democracy and are not willing to relinquish it.

The social consequences of the political crisis are enormous and impossible to enumerate, as are the many damages that cause pain, suffering, and tears in all Salvadorans. It is sufficient to journey through our cities and rural areas to understand this. The situation is disguieting and realities harsh. These are refugees, emigrants, poverty, ignorance, hunger, and disease. There is thirst for justice, knowledge, and essential needs.

Our government action plan includes a social policy that contains efforts and solutions to come to terms with those problems. As a preview to the reports that the ministers will present in due time, I will outline some of the accomplishments of our social policy.

We have undertaken a total of 3,780 projects for road construction and repair, repair of bridges, drinking water, reforestation, classrooms, improvement of schools, training, health centers, medication and hospital equipment, rural electrification, protection of electrical lines and substations, and more.

It must be taken into consideration that, if we make a comparative analysis, our government has carried out more physical projects in 2 years than those executed by the governments of Presidents Molina and Romero taken together.

Social attention to the population has been neither neglected nor forsaken, despite the huge amounts of money necessary both to repair the damage caused by the guerrillas and for national security and defense. The country has been suffering a chronic housing deficit since the 1950's. In this sector, the most important thing for most of the population is low-cost housing and the renovation [words indistinct]. In 1 and 1/2 years, we have built an impressive 65,500 homes. Previous governments never built this quantity. [applause] Our attention to the housing problem is not detached from our concern over the displaced people living in the suburbs. We have devoted much attention and basic services to these people through several urban renewal projects. At present, we are in the process of building five projects in San Salvador, a commitment to our country's poorest people who live in the suburbs. This we have been doing with these communities' effective participation. [applause]

We have distributed the huge quantity of 12 million quintals of food, which has benefited more than 350,000 people. To this we must add the attention we have devoted to clothing, health services, education, and other basic areas. The agrarian reform has been another of our concerns. We know that credits, training, technical assistance, and employer training contribute to improving the possibility that this reform will succeed. In this spirit and through the national finance system, alleviation credits worth more than 300 million colones have been granted to cooperatives this year. The agricultural development bank alone has financed 330 cooperatives and 161,238 small producers and 59,087 beneficiaries of Decree 207 have profited from this procedure.

Prime importance has been attached to the restructuring of the agrarian debt. This restructuring has facilitated and given strong impetus to the agrarian reform. The cooperatives of the sector included in the reform have been able to utilize credit for the payment of the agrarian debt with a 50-year term, a 5-year grace period, and a 6 percent annual interest rate.

The essence of our political philosophy is to foster social progress through change, redistribution, and greater opportunity to acquire the goods that our civilization offers. We reiterate that the structural reforms deserve all our support and must be fostered and consolidated. The objective of our policy for peasants is to counter rural poverty and succeed in definitively incorporating them into the active life of our society.

We will expand the access to land through the use of surpluses greater than 845m hectares of unsold lands, as the constitution provides. We will foster a real estate acquisition policy through voluntary sales and increase the number of beneficiaries of the first stage of the agrarian reform. We will rehabilitate abandoned areas in zones of conflict and will foster an integral rural development policy for homes, health, education, literacy, and technicalization, thus seeking to increase production, the number of jobs, and development.

A vital effort in these 2 years has been devoted to the restoration of public services damaged by violence. In this area, we have spent nearly 51 million colones. This program has entailed rural electrification, particularly in the eastern area. Also, the program has made possible the construction of security facilities and the reconstruction of bridges such as those at Talmique, Tituapa, and Pitala. In the restoration of public services, special attention has been devoted to energy supplied by CEL [Lempa River Hydroelectric Executive Commission]. Sixteen minor projects for the construction of security facilities for CEL are underway, of which a little more than 60 percent have been completed. Two minor projects in the substations to San Martin and Nuevo Cuscatlan have been completed, namely, the main office and the repair of the canal to the sea. Progress has been also made in rural electrification. More than 200 km of cable have been installed in La Union, La Paz, Usulutan, San Vicente, San Miguel, and Chalatenango.

Progress has also been made in the installation of lamps at the San Marcos railroad bridge. This project includes two generators. This restoration of public services includes three projects for the repair and maintenance of railroad bridges as well as drainage systems for the Batres, Texistepeque, Sucio, and Coyolito rivers and Copinol, El Nino, and El Burro brooks. In addition, 21,000 ties have been installed on railroad tracks and railroad bridges. Also, the Torola River bridge and two Bailey bridges on the Lempa river are under construction.

Regarding public health, we have channeled nearly 120 million colones for the construction of six health centers, 56 aid stations, and five health units. We have renovated more than 150 health services. Thirty rural nutrition centers that tend to 3,000 children have been aided. As part of the rural health assistance programs, 155 poor communities were serviced. We built and opened the San Miguel Hospital with all its services. The basic services of the Rosales and neurological hospitals were improved and their buildings rebuilt. We must stress that five massive children's vaccination drives have been carried out, tending nearly 600,000 children. In addition, we completed a tetanus vaccination drive during which 50,000 fertile women were tended. As a significant result, we must mention that poliomyelitis and diphtheria have been eradicated from the country and measles and other diseases that attacked and decimated our child population have been reduced drastically, down to almost zero. This drive has set an example and has been acknowledged and backed by world health authorities and organizations.

Education has also been taken care of with close to 180 million colones channeled to new educational programs. Special attention has been given to the educational system revitalization consisting of the construction of 400 classrooms, the rebuilding of 2,400 classrooms, and the purchase of 152,000 benches and 3,800 desks and chairs for teachers.

With IDB financing, 233 schools are under construction and 10,000 teachers are being trained. We are negotiating the money necessary to implement an integrated literacy program. We have pledged to initiate this project this year. It will be financed by the IDB and constitutes a true cultural reform in the country. This program fills us with optimism and is fundamental for the strengthening of democracy.

Nor have we neglected the government's policy of backing the democratization process as the fundamental condition for political progress. The proper functioning of the judicial system is a priority objective of the democratic government.

That is why the Justice Ministry received a special allotment of 600,000 colones to undertake research on how to improve the administration of justice. In this context, another 400,000 colones were allotted to the judicial branch to strengthen judicial institutions.

The improvement of the administration of justice and its institutions must include efficient investigation of crimes against individual citizens and society. That is why the National Crime Commission received 1,305,400 colones.

In order to seek proper performance by the judicial machinery it is important to reinforce the state and society's legal representativeness through the Attorney General's Office, which was allotted a budget appropriation of 1.2 million colones.

All of this is intimately connected with the protection and promotion of human rights. The government decided to strengthen human rights by assigning 1,250,000 colones to the Human Rights Commission. In this context, my administration, together with the Supreme Court of Justice, promises to update all of the laws to make them congruent with the provisions of the 1983 Constitution. Intense efforts are being made in this regard and we believe it is imperative to see them through.

We also promise to promote the program of judicial reform and furnish all of the indispensable instruments for effective work by the investigation agencies and the courts to benefit society.

We are aware that adequate legal reform and an organized and practical administration of the judicial system are essential for the consolidation of the process of national modernization and democratization.

J. [Letter as heard] The Central Electoral Council will receive a 3 million appropriation from the general budget and 6 million colones of the special budget so that the electoral lists can be organized efficiently to guarantee the honesty of the next elections.

We have supported the productive sectors to generate 30,000 new private enterprise jobs. We have assigned them credit lines totalling more than 5 billion colones at favorable terms and foreign exchange that will allow them to import those goods they need for production.

The export sector received 82 million colones to strengthen the exports of nontraditional products through financing purchases of raw materials and spare parts for imported machinery.

Outside of the 30,000 jobs the private sector will create, the government has created new sources of employment that have opened up 15,000 new positions in the development of infrastructure products for the construction of roads, water pipelines and sewage systems, irrigation and drainage lines, and reforestation.

In 1985 this sector received close to 112 million colones distributed among 450 projects that generated more than 1,800,000 man-hours. There are 121 projects under construction in this sector at this time.

Within the next 90 days we will submit to the Legislative Assembly the new Labor Code bill, which includes novel, progressive measures that, if well applied, efficiently complied with, and respected by those parties involved, will mark an important milestone in the quest for peace and democracy. [applause]

I ask everyone, including businessmen, workers, and lawmakers, to make contributions and offer their opinions to obtain the best possible labor legislation that will bring progress and social peace, harmony, and stability. [applause]

All of these are an important part of the social interest projects the government has undertaken in the first two years of this administration.

We have carried out many of these works under adverse conditions due to the levels of violence that still affect national life. Perhaps we could have carried out more and better works. However, considering the current situation in the country, we have done what we could through the efforts and dedication that the circumstances required.

Despite the adversities, we have made the country advance. We know that these advances have demanded a greater social sacrifice than what would have been necessary under normal conditions. If the sequel of war did not absorb so much energy and efforts and so many resources, the advancements for general social benefit would have been better and greater.

This brief summary reflects my government's concrete and impressive achievements, which clearly and emphatically counter the unfounded criticisms that have been made.

In the economic field, we all know that in 1979 our national economy entered a severe process of depression, which got worse in the following years. For the first time, the GNP's downward trend stopped in 1984 and we experienced a growth of 1.5 percent. In 1984, investment levels showed a slight improvement and all the economic sectors grew, except for the construction sector. In 1985, the GNP continued its upward trend and the positive growth rate was 1.6 percent. All the economic sectors grew, including the construction sector.

The country's economic deterioration is due to internal and external causes. It is a combination of economic, political, and social problems.

The Latin American experience during the past 4 decades has been the implementation of models whose common denominator has been failure. We experimented with the [word indistinct] model, a reorganizational model that basically consisted of substituting imports and reducing the dependency on international agricultural export products. As a result, the industrialization process was seriously affected, as it became dependent on the import of components for industrialization. In addition to the growing lack of capital and technology, we experienced a reflective industrialization [industrializacion refleja]. We tried the reorganizational model, which derived from the previous model. This model also collapsed due to economic, political, and social reasons. The failure of this model coincided with an international economic recession, which resulted in grave deficits in our economies' external sectors. El Salvador also experienced all those phenomena, which were aggravated by the armed conflict and the social-political crisis.

Those were the economic conditions at the time we assumed power on 1 June 1984. In order to face those problems, the government had three options: to do nothing, which was the usual thing to do; to adopt conventional austerity measures; or to create a new alternative that could lead to stabilization and economic reactivation. Doing nothing was the worst option, because leaving things as they were would worsen the internal and external imbalance, which would have incalculable consequences for the country in the political and eocnomic fields. A recession alone would have meant implementing strict monetary measures, which could have reduced the imbalance, but at a very high social cost due to the economic recession. These two options presented basically negative consequences. It would have been easier to do nothing. However, doing nothing has not been characteristic of my government. The examples of other countries in which austerity measures have been exclusively offered discouraging perspectives. Therefore, we decided to take a [word indistinct] path: to seek stabilization through reactivation.

Now that we have managed to strengthen the great areas of national security and democracy, we must dedicate time. [applause] Now that we have managed to strengthen the great areas of national security and democracy, we must dedicate ourselves to stabilizing our economy by introducing mechanisms that will strengthen it.

The main objective of the economic reforms is to achieve an economy in which all sectors will be allowed to participate; in which the state will provide economic guidance, in order to eradicate the so very harmful hegemony of economic power, while strengthening the social reform process. In essence, the program is a coherent and solid package of economic, financial, and social guidelines, which will permit the national economy to overcome the gradual process of deterioration. The program will enable us to advance in the economic reactivation, acting [words indistinct] in a consistent manner over the strategic factors.

The program's policy in the fiscal, foreign exchange, monetary, credit, revenue, and production areas represents the main instruments to achieve the organizational objectives. Therefore, we have made this decision, aware that we will face difficulties in the near future. My government is minimizing those effects with its policy of wages and staples, as well as the granting of credits.

All this will require short-term sacrifices. However, these sacrifices will be a bridge so that by 1988 we will have achieved an effective economic reactivation. This reactivation effort requires everyone's cooperation in all aspects of the national endeavor. It needs patriotic cooperation in the political field, reasonable social cooperation between the various sector that comprise our society, and an ideological ingredient that will prevent the distortion of the real purpose and meaning of the economic measures.

The possibilities of attaining an economic upsurge will be minimal if this national concerted effort fails to crystalize; the possibility that the economic problems will worsen will increase. I therefore sincerely and openly bid all of the economic sectors, workers, and political parties to join efforts in this concerted effort to ensure the success of the economic recovery efforts and to improve the chances for progress in El Salvador. [applause]

One of the harshest manifestations of the crisis that we must grapple with is the balance of payments problem. This has become evident through the trade gap that exists between our imports and exports. In 1985, including all donations, loans, and the like, that gap caused a negative balance in the Salvadoran balance of trade of 717 million colones. This pressures the country to obtain new credits and foreign donations. The availability of foreign exchange diminishes and investments are discouraged, with the corresponding effects on employment and production.

We have begun to correct the imbalance in the foreign sector by establishing a unified exchange rate of 5 colones to the dollar. This measure fulfills several objectives that correct the economic distortions that existed. First, it eliminates the multiple exchange markets that created pressure for an increase in the value of the dollar relative to the colon, which had reached a rate as high as 10 to 1. The colon has now been placed on a more realistic exchange parity.

Second, this measure has had a moderate impact on the foreign sector of the economy, altering the course of the trend to increase imports and decrease exports, allowing in the middle range a growth in the availability of foreign reserves.

Third, this measure closes a 52-year period of fixed exchange rates that caused an overevaluation of the exchange rate beginning in 1932 and that was one of the major reasons for the imbalance in the foreign sector. This in turn caused a deterioration in the people's standards of living.

The unification of the exchange rate is based on a policy that strives to promote and diversify exports of traditional and nontraditional products to increase our sales abroad. The temporary ban on the importation of luxury items and the selective tax on nonessential foreign consumer goods strove to reduce our foreign purchases to contribute to closing the negative gap in the economy's foreign sector.

Three additional policies support this move. The first is the income-protection policy; second, the wage policy; and third, the policy to support production. These seek to satisfy the people's basic needs and promote production to cover the domestic demand. This in turn reduces imports.

With regard to the wage policy, we are pleased to announce that the government, aware of its responsibility toward civil servants, has established in the current fiscal year an average across-the-board increase of 150 colones per month. The average minimum wage in the public administration is now 550 colones per month, compared to a 330 colones average minimum wage in 1980 and less than 200 colones in 1970.

In the 2 years we have led this nation's government, the wages for government workers have increased to more than 250 colones per month and are five times greater than all of the increases granted by previous administrations since 1970. [applause]

With regard to the minimum wage for farm workers, this totals 8 colones per day. This is much higher than the minimum wage that existed before, which it exceeds by 70 percent. The previous minimum wage remained unchanged for almost 10 years. The minimum wage for city workers increased to 15 colones per day, 14 colones in suburban areas.

Faithful to the principles of social justice and to the democratic belief in freedom of employment opportunities that must exist without sex discrimination, women's salaries have been brought up to par with men's salaries in all fields. The principle of equal pay for equal work has been applied.

We have asked employers to revise the salaries of industrial workers and increase them by between 10 and 15 percent. I hope the employers have received this invitation gladly. After this revision is made and in case it is necessary, we will present a bill at the Assembly. All these measures are aimed at a healthy economic policy.

I take this opportunity to ask the workers to understand that a rash demand for salary raises without increasing production signifies an impetus for inflation. In inflation, it is the poorest and the lowliest who suffer its consequences. This is why I beg of you to understand and cooperate and not destabilize the economy. All this in the certainty, [applause] all this in the certainty that the government will observe the economic phenomena so that, when it proves timely, labor-management relations are revised and updated as regards salary.

In addition, we will consider the price stabilization policy that consists of stopping the unorganized raising of prices without hampering domestic production. This policy includes measures for the immediate protection of family income. These measures are aimed at protecting the basic basket of the Salvadoran family. I hereby report to the Salvadoran people that at IRA [Institute of Supply Regulation] we have 3 million quintals of corn available at the price set 1 year ago. We also have beans so that the country will not have problems this year. [applause] The protection of basic grains also includes the control, freezing, and limitation of price raises of these articles of popular consumption. We will now discuss the granting of subsidies for some general consumption goods, such as oil, lard, etc. On our initiative, medicine and controlled food have been exempted from the payment of taxes. My government is aware that stabilization without reactivation of the economy would constitute a partial and limited policy. This is why we have initiated the drafting of a national production policy with the participation of all productive sectors. A true economic reactivation cannot take place if we do not resolve the problems that production confronts.

From the production standpoint, economic reactivation entails basically three things: a take-off of the economy, meaning the recovery of business activities through the action of new capital, an improvement of market conditions, the availability of inputs, strengthening of the ability to negotiate, and a positive attitude with an employer's spirit. Second, the reorganization of the economy. It consists of strengthening enterprises' financial position and overcoming the institutional, legal, and psychological obstacles that prevent and hamper the development of the production process. Third, economic (?awakening) to put into operation all idle enterprises.

All of this should be done based on an effort to maintain and use the economic infrastructure that we have had so far. But in addition to this, we need to promote a new and more dynamic and positive infrastructure to create jobs and improve the people's living conditions.

To boost the economy, it is equally important for the business and labor sectors to have a new mentality. Within the current situation, the two sectors must become aware of the important role of producing and achieving a better distribution, and to do this, they must be willing to sacrifice, work, save, and invest.

The success of the national production policy must become evident in an increase in jobs, production, exports, and investments. Thus, the economic reactivation of production is the main target of the national reactivation policy.

The economy's external sector must become stronger with all this, achieving a better supply of foreign exchange that meets the demands of the productive sector and creates the conditions to invest, increase employment, and reactivate production.

Internal imbalances become evident in the fiscal deficit and inflation. The two problems strengthen each other. Therefore, the program policies are aimed at achieving a balanced budget in the central government, reducing the fiscal deficit, and effectively controlling the public debt.

To do this, we are involved in a fiscal program aimed at rationalizing state expenditures with greater administrative and technical efficiency and increasing government revenues with the modernization of the tax system.

The improvement of fiscal revenues is based on the creation of temporary taxes, such as the coffee tax, and the search for the expansion of the tax base.

Another internal imbalance is inflation. Some of the previous policies such as that of staples and support for production which I mentioned earlier reduce that inflation. Nevertheless, the program includes specific policies regarding inflation. In the first place, we have the monetary policy which seeks to increase internal savings, regulate liquidity, and rationalize the use of financial resources. This policy is supported in the credit area with interest rates that are attractive to the savers and selective interest rates for the credits, thus favoring those destined for productive objectives, especially for micro enterprises and small- and medium-size enterprises.

It sometimes seems that economic phenomena are almost mechanical, that they are not social and political phenomena. In the inflation problem, speculation is important, but speculation is not an economic phenomenon. Instead, it has psychosocial and political aspects. I want to issue a call here to the conscience of all Salvadorans, especially those responsible for the marketing and sale of goods and services. I want to ask them to think about the fact that the excessive increase of prices immediately affects the living conditions of the Salvadoran people and the fact that the deterioration of the living conditions of any Salvadoran means deterioration for everyone.

To live in a poor country is not to live well. It is to live with the constant threat of serious conflicts and with the unease that we are the constant transmitters of an injustice which has no human reason to exist. Much of the inflation in the country is an artificial inflation caused by speculation and not by real costs. The government cannot control this phenomenon alone, but with everyone's effort and vigilance in controlling speculation we will achieve the objective of halting internal inflation. [applause]

It is important that the Salvadoran people know we continue to handle our small foreign exchange in a scrupulous, clear, and rational manner because it constitutes a serious effort by the public sector to stimulate production. From 1 January to 29 May 1986, the Central Reserve Bank authorized $450.6 million worth of imports. They are divided in the following way: $250.2 million for raw materials, supplies, production, machinery, equipment, or parts. In other words, 55 percent of the total foreign exchange has been assigned to those sectors. A total of $58.4 million, or 13 percent, has been spent on fuel; $53.6 million, or 12 percent, has been for food; and $89.3 million, or 20 percent, has been for other goods and services. [figures as heard]

When I took office, the country had $115 million in net international reserves. Two years later and as one of the fruits of the efficient handling of the external sector of the economy and the honest and sincere aid of institutions and friendly countries, the country now has international reserves of more than $300 million.

It is evident that the productive sector has been given priority and preferential attention. It must be stressed that in the 2 years of government, credit for the private sector has increased by 1.5 billion colones. This is a demonstration of the resolute support given to that sector. Regarding small and micro enterprises, I can report that they have received more than 500 million colones in credits.

The 3.2 billion colones in growth in the deposits in the banks and the savings and loan associations are a demonstration of the level of confidence in the country and of the government program that we are promoting. That is why the real advances and fruits of the economic stabilization and reactivation program depend on the progress made in the other areas of national life.

All of these figures naturally do not mean that we are well off. They mean that an effort has been made but that we have to continue being careful with each centavo so that the country can survive.

Salvadorans, when I took office on 1 June 1984, I found my country almost isolated from the world around us, without much international support and, instead, condemned by peoples and governments. This made international cooperation difficult. It is no secret to anyone that our country was viewed as illegitimate in the world context in the past years. In the face of this panorama, we set goals to obtain an opening of international cooperation with our country, achieving the legitimacy of our process and the recognition of our democracy in the world.

Our foreign policy, guided by the objectives I just mentioned, has been, and is, dynamic and active. We have reestablished normal diplomatic relations with countries that had abandoned and even condemned us. We have favored ties and brought our relations closer with democratic countries of Latin America and Europe. [applause]

We have earned the recognition of international organizations and, in addition, we have maintained and brought closer relations, of all kinds, with those nations that have supported us in the most difficult moments of our history, and the Salvadoran people thank them with all their heart. [applause]

The government is convinced that regional peace is the first need, and that is why we support the Contadora Group and its efforts because we think the instrument that will emerge from those negotiations, based on the concepts of real democracy and verification and control of armaments, will lay the foundations for the establishment of a lasting and stable peace. In the same way, we resolutely support the creation of a Central American parliament and all the initiatives that promote understanding, real democracy, and harmony among the countries of the region.

We have given special attention to the border problem with Honduras. El Salvador has struggled and will continue to struggle to preserve and strengthen our legitimate right to be sovereign. At the same time, it has sought to negotiate the dispute in the best climate of friendship and, finally, we have signed the treaty to go to the International Court of Justice in a climate that is full of friendship and brotherhood.

In summary, in the international arena we have achieved international recognition and legitimacy, and greater levels of external technical and financial cooperation, which surpassed $2 billion in total. We have earned recognition as a democratic country. We have gotten certain democratic states to withdraw their support and sympathy from the groups that want to seize power through violence, and we have achieved the Central Americanization of the peace efforts. In other words, we have achieved a new image for El Salvador and earned a proud place among the society of nations.

Mr President of the National Legislative Assembly, a few days ago, at the initiative of the deputies who are absent now, itwas requested that the president of the Republic give a report on the country's foreign policy so that the nation and the Assembly had an exact idea of its evolution. I have tried to briefly explain the basic points of this policy to the Assembly and the nation here. But at this moment, on my behalf, the vice president of the Republic is delivering the document that contains all the background of my country's foreign policy to you. [applause]

I am thus fulfilling the commitment that you requested from me to deliver this document to you. But there is still more. Although they are not here, Mr. President, I am willing to come to the Legislative Assembly to discuss with all the deputies the evolution of the foreign policy because I believe that it is the historic duty of all Salvadorans to know about this process. It is a historic duty especially of those who have the responsibility of approving treaties and making decisions so that they can fulfill their duty. [applause]

Salvadorans, I assumed my duty as the Armed Forces' general commander with pride. This historic task carried out by the Armed Forces during three elections by guaranteeing the voters' right to vote and overcoming obstacles and temptations so that Salvadorans could exercise their sacred right to choose their own destiny in clean and free elections deserves full recognition. [applause]

Elections to choose deputies and mayors were held in 1985. The Armed Forces, in an attitude of profound respect for the results of these elections, guaranteed them, helping in efforts to institutionalize the de jure system, and the country obtained the legitimacy of all its officials. In this way, the Armed Forces gave their firm support to the democratic process. [applause]

To strengthen the Armed Forces, to make it more technical and professional, has been my permanent policy. They have acted with great courage and in compliance with their constitutional duties within the framework of respect for human rights. The Armed Forces have maintained the initiative and have been able to neutralize the terrorist actions of the subversion. They have also restored areas in conflict zones where there is terrorist resistance.

The entire nation knows of the sacrifice and deaths that the Armed Forces have had to pay and suffer for this effort, but little by little and bit by bit the country is beginning to enter a process of control and security for the benefit of all the Salvadorans.

Thanks to this effort, the government has implemented campaigns of service to the towns protecting areas and completing the harvest in the various areas of national production, and maintaining a policy of respect for human rights permanently. [applause]

These achievements have helped raise the morale of our Armed Forces, improving and strengthening them in the struggle for peace. In the effort to become more effective and maintain order, discipline, and law -- complying with the Constitution and the political duty to guarantee and respect human and civil rights -- they have not hesitated to enforce the law within their own ranks and, acting fairly and calmly, they have discharged 5,700 troops because of violations of military regulations in the past 2 years. The following number of troops were discharged and turned over to common courts: 131 for homicide, 40 for rape, 83 for battery, 68 for theft, and 552 for other crimes and violations.

We have granted 3,610 decorations for acts of heroism in the counterinsurgency struggle. Salvadoran soldiers now wear them on their chests. [applause] During this past year, 477 courageous soldiers have given their lives and 2,482 soldiers have been wounded in combat.

We want to state, without any doubts, that the Salvadoran Armed Forces have had successes in the struggle against insurgency and terrorism. They have attained a higher level of professionalism and expertise. They have achieved a greater unity and internal institutionalization. They have maintained national integrity, protected the people, and backed the government in its enforcement of the Constitution. [applause]

Salvadorans, in a message like this one, we must refer to certain problems of our country that deserve serious reflection and vigorous actions. We must become aware of them in order to reach valid conclusions. A rash, irresponsible, and ill-intentioned treatment of this matter results in low morale, plots against a true democracy, and a weaker country. I am basically referring to corruption. This is one of the greatest evils we suffer and we are seriously fighting to eradicate it. However, in a low, cunning, and biased way, sectors of individuals who are morally unfit are using this issue within their tactic of deceit and blackmail in order to reach sinister goals.

In the area of morale in the public sector, there is much to be done, and we are willing to do it. We inherited a structure that was not characterized by its honesty, diligence, and efficiency, and which still exists because it has many ways to defend itself. Everyone is a witness that the first thing I did was to present several laws to correct these defects to the previous legislative assembly. But that assembly prevented the dismissal of those corrupt individuals, thus protecting the existing bureaucratic structure. [applause]

We must not allow ourselves to be bothered by slander, the abuses to freedom of expression, and the unfounded accusations. A popular saying notes that one judges by one's actions. [applause]

We are working openly before the people and if there are any abuses we will punish them with the full weight of the law. [applause] However, we will abide by the law when we punish those who, from their public positions, commit crimes by becoming involved in acts of corruption. We must eradicate the corrupt practices of the past which still survive. We must make our people aware of the fact that in order to eliminate corruption there must be no corruptionists. [applause]

I am going to refer to something everyone knows about because of the media dissemination of it. The extremists, and everyone knows who I am referring to, very unscrupulously slander, defame, and spread all kinds of lies using this practice as a tactic for destabilization and blackmail. Some of these extremists know that our people point at them as the culprits of all kinds of indescribable crimes and that there is evidence incriminating them in those actions, so they seek to destroy the evidence, eliminate witnesses, and make our people and the victims of those crimes lose confidence in the system so that when they have to respond to these actions they would have woven such a string of lies glorifying themselves that they would appear as victims. However, the moral truth condemns them. The legal truth and the police truth will also condemn them. [applause]

It has been customary in our country to falsely accuse innocent people of corrupt actions which have been committed by other people or which do not exist. I must say something that is very important. We must not tolerate the president, not as an individual, but as the office of the president, being disrespected, irresponsibly, by accusations in the media about his behavior or actions without any evidence. This is license. [applause] This is license. [repeats himself] This goes against the Republic itself. It goes against the essence of our basic laws. Such behavior is outrageous in any civilized society; it is not and cannot be democracy. We, as a government, are willing to investigate any serious accusations made and supply the means for the investigation of the accusations to the end, but it is our duty to reject unfounded charges that are just part of a tactic of sabotage used by those who are responsible for criminal acts and who will be accused by the people and by history. [applause]

I repeat, we are going to be thorough in the investigations, but we do not accept or we will not accept any rash accusations and ill-intentioned stories that lack any truthfulness and that are made up by unscrupulous individuals who only seek their self-defense and the destabilization and destruction of society.

It is never truer that those who live in mud judge others through their own patterns of lowliness and baseness. I must now tell you that my government vigorously rejects unfounded accusations and that we will take the steps provided by the law to prevent this. [applause]

We are determined to eradicate corruption. This is a commitment that we are fulfilling and that we will continue to the end, without leniency of any kind. We have adopted the measures to prevent misunderstandings, without falling into ridicule and [word indistinct] attitudes. The high-ranking officials are obliged to report their assets in special, verifiable forms to various government agencies. The same holds true for their relatives. I have also issued various instructions that are being strictly followed with regard to their financial and business actions and operations so they will not receive any special privileges and so that they will be treated the same as their fellow countrymen. There is constant supervision and control that guarantees correctness and honesty in the handling of public funds and in the fulfillment of the public functions. Specific instructions have been issued to the financial system with regard to the credits that are granted to the leaders of political parties and high-ranking officials, their spouses, and their relatives. The processing and authorization of those credits must be subject to special requirements. Likewise, the justice minister has been instructed to investigate the changes in the assets of those who since 1980 have held high-ranking public posts as well as of their spouses and relatives. [applause] We will soon have this information.

I also urge this honorable Legislative Assembly to reconsider and to approve the law on foreign exchange crime.

The Commission on Integrity, [comision de probidad] continues to operate. Following the assassination of the first commissioner, a new commissioner was appointed. He is an attorney who will direct and carry out the important tasks that he has been entrusted with in this delicate field. [applause]

I must now speak about legality, about justice and its administration, about the national frustration in this regard, and about the tremendous distrust that exists inside and outside the country regarding the opportune application of the legal sanctions against the criminals. I have insisted that everyone without exception must struggle unceasingly for the full application of the principles of legality because we all adjust our acts to what the legal order establishes. Laws are passed to be complied with, to live in accordance with, to adjust our conduct to the norms of behavior. As far as an official is concerned, the constitution establishes the limitations that he must abide by in the exercise of his functions. This is so vital for the constitution of the democratic society that we want the most absolute respect for the principle of legality. No one should follow what is outside or against the law. No one should do what goes against the law. More than anyone else, the official must be more aware of what he should do and what he should not do. His reference point is the law and he must act according to it. [applause]

A strong democracy is based on the effective existence of the principle of legality. An area of the greatest importance for generations and for the existence and conservation of real democracy is the administration of justice, its capability, its resources, and its determination to apply the full weight of the law. A weak and deformed judicial system, formalistic in the worst sense of the word, is the product of a past that we are aware of and that led us to the brink of social collapse. As a result, there is distrust, uncertainty, insecurity, and despair among our people with regard to the administration of justice.

We all have great concerns at this time. There are recent cases that have frustrated the thirst for justice that we have. This must not occur and we are doing what is necessary to prevent a repetition. We remember with regret so many abominable actions that horrify any civilized person and that have gone unpunished. Msgr Romero was killed and those responsible have not been prosecuted. [applause] Thousands of people have been assassinated with impunity, there is drug trafficking, there is extortion, there is kidnapping, there is robbery, there is slander and libel. And what happens? On the basis of pseudo-technicalities, those really responsible are not prosecuted and punished. [applause]

We will continue our struggle. We are committed to doing so and we reiterate it here before the national conscience. My government, along with the Supreme Court of Justice, will strengthen justice and its administration. It will continue approving every effort in this regard. It will promote judicial reform because we are convinced that there can be no authentic democracy without a legal state in which legality and justice are essential conditions. This government effort involves much sacrifice and it will only yield fruits if it has the people's resolute support. We all want tranquillity, security, order, progress, freedom, and justice. We have to earn them and we will only achieve them by struggling. I invite you to join us in this task, to promote the judicial reform, to seriously cooperate, to report the criminals, to provide evidence against those individuals, and to do what we have to do. [applause]

I must now refer to the important topic of human rights. In a world where human rights and basic freedoms are frequently violated, the protection and integral promotion of human rights constitute a fundamental part of the philosophy of the constitutional government of El Salvador. That is why this has been clearly established in the constitution and in our government program.

The humanist principles that are an integral and inseparable part of the national democratic process and of the political solution of the crisis, represent the maximum aspiration of the people and Government of El Salvador after a historic process marked by socioeconomic injustice, institutionalized repression, and the sociopolitical and cultural abandonment of the majority sectors of our country. Within the political plan, our government established that the full existence of human rights and fundamental freedoms is inherent to human beings and constitutes the essential foundation of the democratic reality that we seek to establish. This democratic reality is based on the existence, promotion, and protection of all the inalienable rights of human beings.

We are also committed with the Salvadoran people to improve, strengthen, and fully apply the human rights of all sectors of society. This is a basic orientation of our humanist policy, which is determined by the development of a pluralistic and participatory democratic system that structures a society of justice and equality for all its members. [applause] The efforts to improve human rights in all areas are constant against the designs, actions of violence, and anti-historic interpretations of the extremists with regard to our democratization process which began on 15 October 1979 and which was strengthened and legitimized progressively through the 1982 Constituent Assembly elections, the 1984 presidential elections, and the 1985 legislative and municipal elections. We have acted with energy and integrity in this area and have tried to humanize the conflict as much as possible. We have taken measures so that the principle of legality will be respected without exception. We have carried out all types of humanitarian actions. We will continue to unceasingly seek the full application of and respect for human rights as befits all civilized, democratic, and pluralistic societies.

I again state with satisfaction that significant progress has been made in this very important area and that our efforts have not been in vain. There are still problems. There is still some lack of understanding and abusive interference, but we are moving on firm and sure paths towards the achievement of the full existence and respect for human rights. We are winning this battle and we have pledged our best efforts in this. [applause]

Our constitution establishes and guarantees freedom of expression. It also establishes or includes limitations that, if not respected, make the exercise of that freedom deteriorate to libertinism and even to the committing of crimes. The government that I head has been a zealous defender of this freedom, which has been guaranteed under all circumstances and situations, even under the state of siege. Those of us who profess pluralistic democracy believe in that freedom and we defend it in all circumstances. Nevertheless, it is important that we think about the very serious harm that can result if that freedom of expression is not exercised responsibly. I think that the social communications media and the Salvadoran people are sufficiently mature to understand how far the right to inform extends and what the excesses that exceed the limitations of this right or guarantees are. [applause] The democratic system we are promoting is exposed to many dangers. It suffers the attack of the extremists of all ideologies. Playing into the hands of those who conspire against democracy is not a responsible attitude. It is suicidal to disseminate slander and provide space for tendentious disinformation campaigns to discredit democracy and those who struggle for it. We will continue to be tolerant because we believe that a true democrat is exposed to those risks and that he accepts them without fear. I absolutely respect the right to dissent and I am sure that the communications media understand their great responsibility in the construction of democracy, in the formation of our people, and in the maintenance of freedom. [applause]

Salvadoran people, president of the National Legislative Assembly, president of the Supreme Court of Justice, Messrs ambassadors and representatives of the entire world: When I took office as president of the Republic 2 years ago, I promised to lead El Salvador forward amid the problems and the turmoil that the crisis had created. This is an enormous historic responsibility that means the reorganization of the country in the direction of a new society.

We have achieved much so far. Nevertheless, our future responsibilities continue to be great because there are still big problems and big expectations.

Salvadoran people: The war continues in the country. We have proposed solutions to achieve peace. The dialogue and the humanization of the conflict are the main instruments. We have gone to the dialogues and we have proposed a humanization with an open mind. We know that peace creates wealth, but war engenders misery; that harmony makes even the smallest things grow, but discord ruins even the biggest things. That is why the attitude of my government during these 2 years has been that which celebrates the heroism of man who struggles for life and not for death.

Salvadoran people: Faithful to these concepts and principles, we will continue in the process of dialogue for peace within the framework of our Constitution and seeking the incorporation of those who have taken up arms so that they will join the democratic process. At this moment, before the Assembly and before my people, I offer the gentlemen of the FMLN the maximum possible guarantees from the government, the Armed Forces, and the people [as heard], whom I especially ask to join us so that, in an attitude of peace, we can make possible the effective incorporation into the process [proceso] and life in society of all those who have taken up arms. [applause]

Salvadoran people, I want to end the war. I am going to undertake a new effort. Within that spirit, I call for a third dialogue meeting without weapons. [applause] I call for a third dialogue meeting without weapons in the national territory to be held at the end of July or during August. I formulate this new invitation, expressing the feelings and desire of the Salvadoran people who want [applause] who want peace, voted for peace, who elected me because of peace, who want those who have taken up arms to join the democratic process and to lay down their weapons, and who want an end to this war which has caused so much grief and blood for our country. [applause]

I respectfully ask the Church, San Salvador Archbishop Msgr Rivera y Damas, for his cooperation in making the necessary arrangements. Salvadoran people: I submit myself to the judgement of God, the people, and history. Thank you very much. [applause]

FDR's Ungo Replies

PA022150 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 2 Jun 86

[Interview with Dr Guillermo Ungo, president of the FDR, by unidentified reporter; date and place not given -- recorded]

[Text] [Ungo] We know the text of Engineer Duarte's proposal. It has sections that are ambiguous, but other parts are very clear regarding a third meeting similar to the ones held in La Palma and Ayagualo, which would be held at the end of July or beginning of August in Salvadoran territory. We accept this favorably, because it is precisely what we, I am referring to the FDR and FMLN, have been discussing and making proposals about. We have tried to achieve this third meeting that was agreed upon 1 and 1/2 years ago and was interrupted by the will of the government headed by Engineer Duarte. Therefore, I am pleased that 1 and 1/2 years after the dialogue was interrupted by the Salvadoran Government, there are possibilities of resuming it. We will wait to hear what the mediator, Msgr Rivera y Damas, has to say as Engineer Duarte has offered, because it is a dialogue between two sides so there can be no impositions from one side against the other; there can only be agreements regarding concrete issues such as the place, date, and agenda.

We hope the offer will be serious, a continuation of the type and nature of meetings we held in La Palma and Ayagualo. We would like to make progress in the process of seeking a political solution. We will try to achieve this. We do not want a propagandistic dialogue where we sit down to discuss the terms of surrender or offers to put down our arms, which would be unrealistic and which have interrupted the dialogue for 1 and 1/2 years. It would be just as unrealistic and lacking in seriousness for us to propose that Duarte step down from the government, although at the present time the majority of center, left-, and right-wing sectors are not satisfied with his government and would prefer him to leave the presidency. However, we are not proposing this, but a dialogue with government representatives in order to make progress -- as we agreed in La Palma -- to gradually reach an agreement that will help us reach a final political solution.

Now, there is a point that worries us: It is about just how serious, how real is the possibility of a third meeting in El Salvador. It seems to be a propagandistic resource used by Duarte in view of popular pressure, due to an increasing demand by popular, political, and economic sectors in the country and also from the international community demanding the need to resume the dialogues. In view of an increasing economic crisis in which [word indistinct] are sacrifices for the people's pockets and stomachs to continue prolonging and expanding a war.

This offer could be a path to peace or hope. We believe that the fact the offer was made publicly and in a propagandistic manner makes it suspicious, especially when 2 days earlier, on 30 May, in Panama City, representatives from the two fronts met with mediator Msgr Rivera y Damas, within the spirit of the role he is playing. He must talk to both sides to weigh the possibilities of a dialogue. At that very recent meeting Msgr Rivera y Damas did not bring any communique, any answer, any position of the Duarte government, although the speech he made yesterday obviously had to be prepared days earlier and not at the last minute. This makes us suspicious; when one seeks a dialogue or a meeting, one works with the mediator in private to guarantee an agreement between the two sides, and not allow that possibility to fail. However, Engineer Duarte made his statement publicly in a propagandistic manner, and furthermore 2 months ahead of time. He made the announcement on 1 June for a meeting that would take place at the end of July or beginning of August.

He announced the La Palma dialogue only 1 week before it took place. This appears to indicate that he wants approximately 2 months, perhaps to try to build up his deteriorated image and credibility, or perhaps in response to international reasons, because we have noticed that the Salvadoran Government, after having publicly stated its desire to sign the Contadora Document appears not to like it and that it was bluffing with regard to signing it.

We will take all of these things into consideration after we have more specifics passed on to us by the archbishop in his capacity as mediator. However, I want to summarize by saying that we do accept and that we hope the meeting will take place. The Salvadoran people have insisted on this meeting, as a concrete step toward the resumption of the dialogue, not as an attempt to impose one party's positions on the other, but to seek points of convergence and agreement in response to the people's interest in truly reaching a political solution.

[Reporter] Sir: Last March President Duarte also made public his position that the dialogue in El Salvador would have to be held simultaneously with another one in Nicaragua; that is, between the Contras and the Nicaraguan Government. What is your view on this change of position?

[Ungo] That is precisely Duarte's problem and the reason he inspires no credibility. He says too many things that contradict one another. In January he responded that no, no dialogue yet, that in 8 months, that there were no conditions. Then he made an antipatriotic offer linking the realization of the Salvadoran dialogue to foreign and alien wills. [words indistinct] another country. And now he comes out with a proposal that we do not know if it will be carried out, but which we find is different. We believe that if in fact that is a dialogue like those in La Palma and Ayagualo, without conditions, we will do everything possible to be there. Our answer is affirmative.

[Reporter] Will you be willing to come to El Salvador even if the dialogue is to be used as government propaganda?

[Ungo] There are interests that transcend that. In any event, those propaganda ploys do not have a lasting effect. The parties' real good wills are put to the test promptly, and actually Duarte is walking on very shaky ground right now. Even if is planning to play with the dialogue, this is becoming increasingly more difficult because the national consensus is becoming stronger, and important domestic sectors are making stronger demands for a dialogue in which the two parties will be realistic, serious, and responsible. Therefore, even if he wanted to play with that we believe that that game will be increasingly costly and more difficult. That is why I am optimistic on this possibility.

[Reporter] Sir: In President Duarte's proposal it says that this new invitation [words indistinct] was made echoing the people's wishes and desire that the rebels join the democratic process; that they depose their weapons to end this war that has brought so much pain and sorrow to the country. He is repeating what he had said before. Or do you think there is something new in this proposal?

[Ungo] That is the part that is ambiguous. Those are the concessions he makes to the extreme right-wing. Actually, what I see as good is when he refers concretely to a third meeting similar to La Palma and Ayagualo, in El Salvador. Therefore, those offers... [changes thought] Well, we know that most of the Salvadoran people do not believe in Duarte's demagoguery. This is currently the peak of his isolation. He is being fought and criticized by the center and by the right and left wings. His old base of popular support in the UPD [Democratic Popular Unity] has been broken and a large part of it feels that the Duarte government betrayed it. Therefore, important sectors in the private enterprise sectors, particularly the middle and small businessmen, are also very cold toward and critical of the Duarte government. So are the extreme right-wing sectors. Therefore, in that sense, what most of the people really want is that he leave, but we are not proposing that.

Farabundo Marti Comments

PA030009 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2314 GMT 2 Jun 86

[Station commentary]

[Text] The request for dialogue, the desire for peace and political resolution have been a banner for all Salvadoran people before Duarte's warmongering. The permanent hedging and demagogic attitude of Duarte toward the dialogue have made Salvadorans wave over and over the flag of an authentic political solution to the war in our country.

On 1 June 1986 at the Legislative Assembly, Duarte again used the word dialogue with propagandistic purposes. However, he did not refer at all to the real path for a political solution. Since the Ayagualo meeting in November 1984, Napoleon Duarte had refused to respond to the permanent FMLN-FDR dialogue initiatives.

The announcement made on 1 June by Duarte is a response to our repeated initiatives. However, it is a superficial and opportunistic response with no seriousness. This propagandistic maneuver is hollow. Its immediate objective is to weaken and to fool the opposition in the U.S. Congress about the military aid to the Salvadoran Armed Forces when this debate is resumed in Washington.

Likewise, the maneuver has the purpose of distracting attention from the 2 years of failure of his government and from the atrocities perpetrated against civilians. It also seeks to hide the regional and international failures. However, the empty stomachs and the pain of hunger are not forgotten with a worn-out publicity campaign. The thousands of people murdered and those displaced by the war by Duarte's government cannot be concealed either with the cynical ceremony of the Christian Democratic Party.

On 1 June, the U.S. ambassador in our country, Edwin Coor, was ready to bless the new statement by Duarte. This confirms that this is an order from Washington.

The Salvadoran people support the FMLN-FDR's clear and consistent policy, which can be summarized in the FMLN-FDR's just and patriotic search for peace, in a struggle to satisfy the most urgent needs and interests of the people. The FDR-FMLN banner of struggle, supported by the people and all the patriotic forces in our country, will move forward victoriously and will run through the months of July and August.

We demand that Duarte respond to the concrete initiatives and proposals because beyond the swaggering of the fascist high command, the FMLN-FDR is a real power, has an army, a territory, and a civilian population. The Salvadoran people cannot give up arms without a real and lasting peace. Rather, the maintenance of the arms by the FMLN is the main guarantee that the people's interest will be respected and that the desires of the working people will be fulfilled.

RADIO VENCEREMOS COMMENTS ON DUARTE'S 'FAILURES'

PA021842 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 1 Jun 86

[Text] This 1 June will mark the second anniversary of the most criminal and sophisticated imperialist counterinsurgency plan in our homeland, coinciding with 2 years of Christian Democratic rule by Duarte. Despite its complexity, this plan has been and continues to be defeated by our people and their vanguard, the FMLN-FDR.

Exactly 2 years ago Duarte promised a humanization of the war, democratization, respect for human rights, economic reinvigoration, creation of new sources of employment, and pacification of the country through a dialogue with the FMLN-FDR in order to arrive at a just political resolution of our conflict. In other words, exactly 2 years ago Napoleon Duarte promised to enforce a government platform which he knew perfectly well he could not fulfill. However, it was necessary to promise it in order to launch -- under his Christian Democratic civilian guise -- a large-scale genocidal plan designed by the Reagan administration [1-second break in transmission] the revolutionary thrust of our people.

Let us just recall that the FMLN arrived at a growing number of strategic military victories in 1984 after having consolidated its strategic rearguard in 1981 and taking the military initiative in 1982. Duarte assumed the reins of government in 1984 under this panorama of [guerrilla] military victories and an incipient reactivation of the mass movement, and lent himself to carrying out, under a farcical democratic process in a firm alliance with imperialism, the largest ever genocide program in our homeland.

It is only logical that economic reinvigoration, more respect for human rights, more well-being and security for the people, or real concern to find a political solution to the conflict does not exist after 2 years of such administration. After 2 years of administration, Duarte can only talk about and present documentation reflecting an increase in the number of victims of his genocidal policy and in the violation of our people's civil and human rights. Duarte increased the number of dead Salvadorans to 60,000, the number of missing to 6,000, the number of political prisoners to 900, and can talk about having succeeded in legalizing the death squads through the so-called civil defense and paramilitary forces.

Duarte increased the number of refugees to 1 million and that of people displaced internally to 500,000. This high toll of direct casualties of the policy of imperialist war constitutes the covert genocide which, wittingly and purposefully, Duarte has carried out in order to wipe out and erode the social base of our forces. Far from annihilating us, despite its dimension, this genocide has quantitatively and qualitatively bolstered our front as demonstrated by our daily activities throughout the nation's territory.

Two years ago Duarte depicted himself before the world as a democratic and popularly backed leader. He presented his so-called social pact as a popular movement joined together under the Democratic Popular Unity. However, a few months into his administration this social pact collapsed because of the falsehood of his promises.

The Salvadoran Workers Federation [CTS] was the first to announce its break with Duarte's Christian Democratic Party [PDC]. The cooperatives of the reformed sector and the Association of Salvadoran Indians followed suit shortly afterwards.

What image, what (?mask) will Duarte sell on this 1 June? Whom does he intend to deceive now that his antipopular and genocidal nature has come out into the open? Nationally and internationally, Duarte is a nonentity, a grotesque political personality who is received out of diplomatic courtesy because of his well known pro-imperialist stance.

Duarte's political erosion is such that it even extends to the remaining Christian Democratic parties on the continent. It could not be otherwise. For 6 consecutive years, the Salvadoran Government has been accused at the United Nations of violating human rights. At the economic level, far from achieving economic reinvigoration, Duarte registered in 1985 a fiscal deficit of 744 million colones and an unfavorable trade balance of 670 million colones. In other words, Duarte has closed at least one factory or working center per month on the average during his 2 years of administration, increasing unemployment 50 percent and underemployment 30 percent. This is tantamount to saying that of each 10 able-bodied Salvadorans, 5 are unemployed and 3 are doing [word indistinct] work.

Duarte's lack of ability is what has imposed on us an expansion of his war economy through the big economic swindle, which has meant increases [in the price of] consummer goods and services of as much as 300 and 500 percent and has turned simple products and foodstuffs into truly luxury items. The increasing hunger and our people's pauperism are the truths behind Duarte's policy. All that is left from his promises of dialogue and peace are the demagogic invocations of the Lord when he proclaimed himself a man of peace. Instead, he has practiced war and genocide and mocked our people's (?slightest) aspirations.

However, Duarte has not achieved the main objective in the counterinsurgency plan -- to weaken the FMLN -- which constitutes the complete failure of this [word indistinct] imperialist war plan. Far from alienating us from the masses on the basis of terror, the war crimes against the people have only succeeded in isolating Duarte politically, increasing our grassroots following and our army. All the Army-PDC pact has done is to leave the Army free and to train it so it could carry out the massacres and killings of the civilian population. However, it never trained the Army to defeat our revolutionary forces. This has been the main failure suffered by Duarte and his imperialist war plan. It represents a leap toward victory for our people and their vanguard.

UNGO ON DUARTE S. AMERICA TRIP, REAGAN POLICY

PA291637 (Clandestine) Radio Venceremos in Spanish to El Salvador 0001 GMT 29 May 86

[Interview with Guillermo Manuel Ungo, president of the Revolutionary Democratic Front, by unidentified reporter; date and place not given -- recorded]

[Text] [Reporter] Dr Ungo, the first thing we want you to talk on is about the international situation, Duarte's trip to South America, the recent meeting held in Esquipulas, the probable signing of the Contadora peace plan, and how all this affects our country, Reagan's policy toward Central America.

[Ungo] The international situation is presenting at this moment aspects which are becoming more unfavorable to Reagan's policy toward Central America. In the first place, we have seen the difficulties and defeats that the Reagan administration has sustained in the U.S. Congress regarding the aid for the counterrevolutionaries in the case of Nicaragua. The Reagan administration has also had problems with the advances made as a result of the efforts and initiatives of the Contadora Group and the Support Group. This is evident by the constant and frequent trips by U.S. Government officials, especially roving Ambassador Philip Habib, who has been to the Central American countries precisely to try to coordinate a policy which pretends to support the Contadora Group, but in reality what they are doing is permanently sabotaging its efforts.

The meeting in Esquipulas is also a partial defeat of Reagan's policy because Nicaragua was present to upset the U.S. Government's efforts to try to isolate Nicaragua. Despite the differences and discrepancies that exist among the presidents, during the meeting in Esquipulas a Central Americanist spirit prevailed to reach basic and minimum agreements by setting aside their differences. All this is contributing to promote the will among some governments [words indistinct] to Reagan's policy, as in the case of the Duarte administration, which apparently is indicating that, in reality, there is the spirit and will to sign the Contadora peace plan, which indicates there is a Latin American position that seeks a dialogue and negotiation against intervention and aggression by the U.S. Government in the case of Central America.

In summary, I would say that all these aspects are proving that there is a Latin Americanist will, a more nationalistic spirit, opposed to the interventionist efforts and actions of the Reagan administration.

As for Duarte's trip to South America, it seems to me that it has been made very clear by the international news media and the Salvadoran press that Duarte's visit to the four countries comprising the Support Group was a total failure. There were demonstrations opposed to his visit by important popular sectors in all these countries, which are well aware of the repressive policy and violation of human rights by the Duarte regime, its undemocratic principles and its submissive position toward the U.S. Government. He was not treated this way only by popular sectors, but also by the political sectors. He was not received by the Congress in some of the countries he visited, as was the case of Uruguay and Peru. And where he was received by the Congress, as in Argentina and Brazil, the lack of sympathy and their disapproval of the Salvadoran regime was obvious. In Brazil only a minority was present when Duarte delivered a speech, and in Argentina democratic and progressive sectors of Congress walked out when Duarte arrived.

The joint declarations with the other presidents are not too favorable to Duarte, and all we can feel is that there is pressure to resume a dialogue with us to find a political solution.

This visit indicates Duarte's precariousness, weakness, and isolation. At the same time, [words indistinct] other countries did not visit. This shows that his presence is not welcomed in several (?political circles).

[Reporter] Regarding the domestic situation, we would like to mention the supposed political quagmire in El Salvador. The imperialist propaganda has made it look as if no alternatives or progress toward a political solution exist in El Salvador. Can you tell us about the true situation?

[Ungo] Through certain news media that the United States controls and manipulates, the U.S. propaganda portrays a situation of stagnation and impasse regarding the political and social situation in El Salvador. The truth is quite different. Theirs is a false image. If we want to have a real vision of life, it is dynamic and not related to the movies. We see movement in El Salvador. There is movement and progress on our party, yet the Salvadoran Government shows deterioration. This refers not only to military matters, in which it is clear that the Salvadoran and Reagan governments are not succeeding in achieving their basic objectives [words indistinct] military advance of the popular revolutionary forces. The deterioration is also evident in the Duarte government's social, economic, and political fields. The social basis, which formerly backed and supported Duarte's Christian Demoratic government, has become more and more reduced.

There has occurred a new reorganization of private enterprise sectors, which feel affected by this Duarte policy and his government's lack of feasibility. We have also made headway toward a political solution. We have found a larger and larger number of true, effective elements of concurrence, regardless of whether accords or understandings have been reached in various social and political areas. An ever clearer national consensus is taking shape regarding the Duarte government's lack of solutions. The U.S. presence protracts the war and raises the total social and economic costs of the Salvadoran conflict. Dialogue and the search for a national consensus are necessary [words indistinct] a solution.

I would have to say that at present we are without any [words indistinct] solution. However, we are finding more and more elements of concurrence that are needed in order to build a political alternative or coalition. Through their diverse social, political, and economic manifestations, the people are increasingly acquiring a greater voice and greater participation in the need to build an alternative through which all men of good will and patriotically minded Salvadorans will assume an even more militant, active, and responsible role. We are seeing that that sort of consensus on basic points already exists. One can go on developing, extending, and building of its more concrete and specific aspects. This way we can formulate a package (?for) a political proposal that would (?impose the Salvadoran people's will over U.S.) [words indistinct].

[Reporter] After listening to you we clearly see that there is no political impasse. Our people have political alternatives as well as political advances. Diverse sectors are more committed to the search for a solution. In view of this situation, what message would you convey to our people on behalf of the FMLN-FDR?

[Ungo] [Words indistinct] to continue advancing in these dynamic, active, public, and militant manifestations to build a political alternative. That has to be done through advances in political, mlitary, and social fields. The organization of the people is a fundamental issue. The people have to start presenting specific proposals that would help build an alternative, national consensus or solution. In this respect, it becomes important that diverse sectors get organized and organized sectors express themselves on specific points, regarding the social, economic, and political issues which must be included in the Salvadoran solution, by Salvadorans, among Salvadorans. Therefore, I would ask all Salvadorans, all my compatriots, to increasingly participate through all means of [word indistinct], expression, organization, and mobilization to urge and demand that the talks be resumed and that a political solution be sought. All the people should participate through different efforts to continue building the specific alternative that will provide a true solution to the Salvadoran problems, which are basically rooted in injustices, as well as in the need to solve economic problems and to satisfy the needs and interests of the majority. One must seek a pluralistic, participative, and broad solution whereby the entire people will define and decide their own destiny.

FMLN-FDR ISSUE COMMUNIQUE ON TERMS OF DIALOGUE

PA032357 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2317 GMT 3 Jun 86

[Communique issued by the FMLN General Command and the FDR Executive Committee, dated 3 June; place of issue not given]

[Text] The FDR and FMLN state the following to our people and international community:

1. The FDR-FMLN have always stated in a clear way their willingness to participate in a dialogue among Salvadorans within our national territory and in front of the people this context we consider positive Engineer Duarte's acceptance of our terms, during his 1 June speech.

2. The FDR-FMLN propose that the third round of talks be held in the city of San Salvador, at the highest level between the parties. The delegations representing our fronts will be comprised of Comrades Guillermo Manuel Ungo and Ruben Zamora, president and vice president of the FDR, respectively; and the companeros FMLN Commanders Joaquin Villalobos and Leonel Gonzalez.

3. Given that Engineer Duarte is trying to confuse the people and the world by defending, in his speeches the idea of dialogue so that the FMLN put down its weapons, it is therefore necessary for the FMLN and government to reveal to the people in advance what topics will be discussed at the meeting. Anyway, the FMLN-FDR will assume the responsibility of informing in advance the specific proposals we will make to the government to benefit the people.

4. The FDR-FMLN urge all the national sectors to struggle decidedly during the upcoming weeks to change the opportunistic way in which Duarte has handled the dialogue into a process toward the achievement of peace with justice and dignity, which our people hope for. An FDR-FMLN delegation would arrive prior to the meeting in San Salvador to meet with national sectors and learn their views about the political solution to the national crisis.

[Dated] El Salvador, 3 June 1986

[Signed] FMLN General Command, FDR Executive Committee

OPPOSITION REACTS TO STATE OF NATION ADDRESS

PA031233 San Salvador EL DIARIO DE HOY in Spanish 2 Jun 86 pp 13, 46

[Text] Yesterday the 27 deputies of the Legislative Assembly's opposition bloc did not attend the session during which President Jose Napoleon Duarte read his state of the nation address, to express their repudiation of the Christian Democratic regime and protest against the continuous show of disrespect for the legislature displayed by the 33 deputies of the majority faction. After President Duarte concluded his address, the following deputies explained their position to the members of the press: Alfredo Cristiani, Armando Calderon Sol, Colonel Jorge Jarquin, Mauricio Zablah, Abel Granados, Abel Aguardia, Ricardo Alvarenga, and Robert Angulo of the ARENA [Nationalist Republican Alliance] party; [Roberto -- FBIS] Escobar Garcia of PAISA [Salvadoran Authentic Institutional Party]; Rene Fortin Magana, independent; and Pio Arnulfo Ayala of the PCN [National Conciliation Party]. They told the press that their boycott of yesterday's session sought to manifest the opposition's disgust over the constant instances of disrespect toward the legislature, including the hasty approval of laws and sudden vote calls by the majority bloc, which imposes its positions on the Assembly.

The deputies said that this lack of respect for legislative procedures is evident in numerous amendments to laws, incluing that to the judicial branch's organic law, which was a clear intervention by the legislative branch in affairs that are the exclusive jurisdiction of the judicial branch. They added that their actions will become more systematic and coordinated if President Duarte does not alter the current style and trend of relations between the various branches of government.

The lawmakers said that the Christian Democrats, by observing this behavior, are attempting to establish a one-party dictatorship by Duarte's group, which has held the reigns of power since 1980 though its control over the banking industry, exports, and the ISTA, Salvadoran Institute for Agricultural Change.

Duarte has just completed 2 years of misgovernment, confrontation, and destabilization, ARENA's Calderon Sol stated, adding that the expression of repudiation planned by the opposition parties sought to unify all of the opposition parties. Meanwhile, Fortin Magana said that the opposition parties and independents in the Legislative Assembly decided not to listen to President Duarte's report to protest his handling of the country's affairs over the past 2 years. We are extremely concerned. We believe it is time to blow the whistle on the Duarte administration here and abroad. What worries us even more is to see how the 33-deputy majority has passed laws this year that violates the Constitution. This makes El Salvador a country ruled by a one-party dictatorship.

The PCN deputy said that the move seeks to let the government know that the opposition wants to help resolve the country's problems, but that it is not being heard. We also sought to repudiate the Christian Democratic regime's administration, he said. He warned that the opposition parties will continue to use protests as a means to exert pressure on the government to establish a truly democratic regime in the country. The opposition parties will try to join efforts to make themselves heard, he said.

The protesting deputies described the president's speech as inconsistent and repetitive. On Duarte's invitation to a third round of talks with the rebels, ARENA said that its first impression was that it is a new propaganda ploy by Duarte. ARENA President Cristiani said that Duarte habitually comes out with things like these when things are not going well for him. The last dialogue attempt failed due to the rebels' unyielding position. So far the rebels have given no indication that they have changed that position, Cristiani said. That is my initial impression, he added. He said that Duarte is proposing the same things again in an attempt to distract the people from the problems they are facing as a result of his bad administration.

Meanwhile, PAISA's Escobar Garcia said that he does not advocate a third round of talks with the rebels because the rebels would use it to buy time to counter the military operations that the Armed Forces have successfully staged against the subversives. Legislative Assembly Vice President Hugo Carrillo said in a separate statement to the press that the most important aspect of Duarte's address was his offer to enter a third round of talks with the rebels.

Our party's platform includes a search for peace within a democratic process. That is why we believe the dialogue is important, he said. He said that he found Duarte's speech to be superficial.

PRELATE TERMS CHURCH OCCUPATION 'DESECRATION'

PA012115 Hamburg DPA in Spanish 2003 GMT 1 Jun 86

[Text] San Salvador, 2 Jun (DPA) -- San Salvador Archbishop Arturo Rivera y Damas today termed as desecration the occupation of the metropolitan cathedral by a group of mothers and relatives of prisoners and persons missing and murdered for political reasons. The clergyman said that he regarded as unnecessary the occupation of his church because the church has been struggling for justice in El Salvador and the humanization of the conflict for 6 years.

The cathedral has been occupied since last night to protest the detention of members of the nongovernmental Salvadoran Human Rights Commission, CDHES, and the committees of mothers of prisoners. The archbishop had to officiate his Sunday Corpus Christi mass today at the Rosario Church, 200 meters east of the cathedral. During his homily today, the archbishop also praised the recent papal encyclical for its condemnation of the great evils that mankind has to confront, such as terrorism, nuclear threat, and euthanasia. He also joined the pope's criticism of Marxism and said: "As Christians, wer will not support that ideology or its methods of violence."

He said, however, that he did not think it fair for people to be imprisoned based on unproven charges. This was an allusion to a defector's statement recently presented by the Treasury Police. The police even presented charges against the archbishop himself. The archbishop stressed: "[Words indistinct] but no one will ever be able to say that the church sides or could side with subversion." He added that the church will make a statement in the next few days regarding the charges presented by the Treasury Police.

The prelate said that, today, when President Duarte's government has completed 2 years, he has heard some evaluations, nearly all of them negative. He also said: The problem is that there are sometimes sectors that only demand their rights and do not acknowledge their duties. I think something positive has occurred. According to the clergyman, he regards as positive what has been achieved related to respect for human rights and what he described as "a sincere desire by the government to consolidate the democatic process."

NICARAGUA

D'ESCOTO TO ATTEND 6 JUNE CONTADORA MEETING

PA040136 Panama City ACAN in Spanish 0126 GMT 4 Jun 86

[Text] Managua, 3 Jun (ACAN-EFE) -- The Sandinist government officially announced today that it will attend on 6 June the meeting of the Contadora Group in Panama, where the document for peace in Central America could be signed. Foreign Minister Miguel D'Escoto will represent Nicaragua at that meeting called by Contadora (Mexico, Colombia, Venezuela, and Panama) and the Contadora Support Group (Argentina, Brazil, Uruguay, and Peru), according to a report by Presidency Information Director Manuel Espinoza Henriquez.

RAMIREZ DISCUSSES ECONOMIC COOPERATION IN NORWAY

For reportage on the visit of Vice President Sergio Ramirez to Norway, including his remarks on economic agreements and Central American affairs, see the Nordic Affairs section of the 4 June Western Europe DAILY REPORT and subsequent issues.

GOVERNMENT SAYS FOREIGN DEBT PAYMENTS CONTINUE

PA032253 Buenos Aires REUTER in Spanish 2037 GMT 3 Jun 86

[By Robert Powell]

[Excerpts] Havana, 3 Jun (REUTER) -- Cuba has informed its Western creditors that it will continue to pay interest on its $3.5-billion debt, thus toning down an earlier statement that it would suspend most of its principal and interest payments as of 5 May, diplomatic sources reported today. Cuba also gave guarantees that it will continue to pay the principal and interest on all commercial debts, the maturity dates of which expired as much as 2 years ago.

The government said in April that it would suspend all of its foreign debt payments except those on its short-term commercial debt while it awaited a new refinancing agreement. Western diplomats in Havana reacted to that announcement with amazement, because technically it meant the country could be declared insolvent.

However, since Cuba decided to soften its posture last month, at least one Western creditor nation has received interest payments, the sources said.

RODRIGUEZ MEETS WITH MEXICO'S SEPULVEDA

FL031226 Havana Radio Progreso Network in Spanish 1100 GMT 3 Jun 86

[Text] Vice President of the Councils of State and Ministers Carlos Rafael Rodriguez has had a long meeting in Mexico City with that country's foreign relations secretary, Bernardo Sepulveda. The basic subject discussed was the situation in Central America, with special emphasis on the recently concluded meeting in Panama of the plenipotentiary representatives of the Contadora Group, and the possibility of a solution to the Central American conflict.

DELEGATION ATTENDS LABOR CONFERENCE IN GENEVA

FL031642 Havana Radio Periodico Del Aire in Spanish 1600 GMT 3 Jun 86

[Text] The Cuban delegation to the 72d International Labor Conference, which begins tomorrow in Geneva, will present a draft resolution demanding the urgent resolution of indebtedness in underdeveloped countries.

The government delegation is presided over by Hector Martinez Brito, vice minister of the State Committee for Labor and Social Security. Carlos Lechuga Hevia, Cuban ambassador to international organizations, is a member of the delegation.

The 72d International Labor Conference will be held at the United Nations palace, and more than 2,000 delegates will speak on behalf of governments, trade unions, and employees, in accordance with the tripartite characteristic of that UN organization.

DUARTE DIALOGUE PROPOSAL TERMED 'DEMAGOGIC'

PA030207 Havana International Service in Spanish 2300 GMT 2 Jun 86

["Our America" commentary]

[Text] During a speech on the second anniversary of his taking power, Salvadoran regime chief Jose Napoleon Duarte made a demagogic appeal to resume talks with guerrilla forces. Such talks have been interrupted since November 1984. At that time the Christian Democratic regime conditioned the political solution process to a preliminary surrender of the guerrillas' weapons. Now Duarte has said that the insurgents must lay down their arms and join the democratic process.

On numerous occasions the FMLN has insisted publicly on resuming the dialogue in the country, but the government set forth conditions for the dialogue to be held abroad and privately. Now, and undoubtedly based on the failure of the Salvadoran Armed Forces that their U.S. advisers in their plans to defeat the guerrillas, the regime is agreeing to hold the talks in the country. Despite Duarte's reiterating that the guerrillas must lay down their weapons, the truth is that twice he has been forced to talk with the members of this undeniable power, who control 12 of the country's 14 departments. So far all counterinsurgency campaigns executed by the Salvadoran Army have been unsuccessful. These have been basically repressive war missions launched against the civilian population of the zones in conflict with U.S. support and advisers.

In addition, during the past few months Duarte has been strongly pressured by labor sectors to continue the dialogue and revoke several inflationary economic measures decreed in January. Furthermore, the organizations for the defense of human rights have repeatedly reported increased violations of these rights by the Salvadoran regime. Although in his Sunday speech Duarte said he had achieved significant progress in the field of respect for human rights, he has been charged with initiating a campaign to discredit and repress members of the humanitarian organizations. Nearly 100 members of the Committee of Mothers of Political Prisoners, Missing, and Murdered People are still occupying the Metropolitan Cathedral in San Salvador to demand the release of 9 human rights commission members detained by the government.

All these facts indicate that, undoubtedly, the current situation in El Salvador is different from that of 4 years ago, when the Armed Forces exerted strict control throughout the national territory. At present these Armed Forces can only now and then reach some areas of the country and have been forced to cope with the FMLN in the country's west, an area previously regarded as free of guerrilla actions. The guerrillas have also shown they have the ability to paralyze transportation completely in more than two-thirds of the national territory.

The international press has been able to confirm the existence of numerous zones in the country controlled by the FMLN, which, together with the FDR, enjoys the broad support and acknowledgement of governments and political forces of various trends. In light of all this, the public acceptance of a resumption of the dialogue does not constitute a humanitarian action by the Salvadoran regime, as Duarte would have us believe. This represents a hidden acknowledgement that it is necessary to sit down and talk with a belligerent force of sure power.

ARIAS BECOMING REAGAN 'SPOKESMAN' IN REGION

PA031827 Havana International Service in Spanish 2300 GMT 2 Jun 86

["Note" read by Maruja Garcia]

[Text] After holding a meeting at the residence of Costa Rican President Oscar Arias Sanchez, Philip Habib, U.S. roving ambassador to Central America, thanked Arias on behalf of the U.S. Government for his stance during the recent summit meeting in Esquipulas. As Habib explained, Washington felt that Arias had adopted a leading role on the isthmus vis-a-vis Nicaraguan President Daniel Ortega Saavedra and had defended Reagan's views on Central America.

By becoming a spokesman for Reagan, Habib added, the Costa Rican president had played a major role in rallying together Honduras, El Salvador, and Guatemala against Nicaragua. Central American political analysts believe that Philip Habib's fourth trip to the region implies not only precise instructions from Washington to its allies against Nicaragua and Contadora but also a new attempt at diplomatic sabotage. Now Costa Rica has gone along with that game. In contrast to the Honduran president's hesitant stance at the start of his mandate, the Costa Rican president said when he took office and in early May that he opposed U.S. aid to the Nicaraguan counterrevolution. He was similarly emphatic in favor of a negotiated solution to the region. He openly supported the Contadora Group's peace efforts.

It is not clear whether all of this constitutes an Arias ploy or if pressure from the U.S. Administration made him change his views. The fact remains that now the Costa Rican Government is promoting a delaying (?tactic) within the Contadora Group and is submitting a proposal regarding arms limitations which does not take into consideration the aggression against Nicaragua. The San Jose initiative does not establish the difference between offensive and defensive weaponry. Therefore, it tacitly goes along with the U.S. premise that Nicaragua must disarm itself in the midst of an aggression.

During his visit to Costa Rica Habib made no mention whatsoever of Washington's planning to end financial aid to the Nicaraguan counterrevolution. However, he did convey U.S. President Ronald Reagan's praise for his Costa Rican counterpart, who is now vying with Honduras for the leading role against peace in the region.

CTC SCORES REJECTION OF HAVANA DEBT FORUM

FL031342 Havana Tele-Rebelde Network in Spanish 1100 GMT 3 Jun 86

[Text] Belgrade -- A delegation of the Central Organization of Cuban Trade Unions [CTC] in this capital has firmly rejected a statement by the Latin American Central Organization of Workers, CLAT, to the effect that Cuba is not the best place to debate or seek solutions to the problem of the foreign debt. The CTC delegation, headed by Juan Dieguez, described as slanderous a statement by CLAT that the Havana trade union conference on the debt, held last July, was not representative. The view of the CTC is contained in a document released by the Cuban delegation, a document warmly received by trade union leaders who were in Belgrade to attend a South-South international trade union meeting that ended yesterday. The leader of the Cuban delegation to the trade union meeting underscored the fact that ignoring the historical importance of that multitudinous and democratic forum would be denying the legitimacy of the organizations of Brazil, Bolivia, Argentina, Uruguay, Venezuela, Panama, Nicaragua, Peru, Colombia, Ecuador, Dominican Republic, Costa Rica, and other countries.

BAHAMAS

OFFICERS MAY RECEIVE TRAINING IN BELGIUM

FL022102 Nassau THE TRIBUNE in English 28 May 86, p 6

[Excerpt] The possibility of Bahamian officers taking part in a training programme for port management in the Belgian port town of Antwerp is being studied. "Belgium would be happy indeed," newly appointed Belgian Ambassador Dr Herman Dehennin told Governor-General Sir Gerald Cash yesterday, "to be able to contribute by such means to this development." Dr Dehennin presented his credentials as Ambassador to the Bahamas to Sir Gerald at Government House yesterday morning.

BARBADOS

NEW CABINET, PARLIAMENTARY SECRETARIES NAMED

FL031856 Bridgetown CANA in English 1824 GMT 3 Jun 86

[Text] Bridgetown, Barbados, June 3, CANA -- following is the list -- announced today -- of cabinet ministers and parliamentary secretaries (junior ministers) comprising Barbados' new Democratic Labour Party (DLP) administration.

Errol Barrow, Q.C., M.P.	Prime minister, minister of economic affairs.
Erskine Sandiford, M.P.	Deputy prime minister, minister of education and culture, leader of the House of Assembly.
Maurice King, Q.C., M.P.	Attorney-general and minister of legal affairs.
Warwick Franklin, M.P	Minister of agriculture, food and fisheries.
Wesley Hall, M.P.	Minister of labour and community development.
Dr Richard Haynes, M.P.	Minister of finance.
J. Cameron Tudor, CMG	Minister of foreign affairs and leader of the Senate.
Keith Simmons, M.P.	Minister of health.
Harold Blackman, M.P.	Minister of housing and lands.
Harcourt Lewis (Senator)	Minister of state, public service.
Branford Taitt, M.P.	Minister of tourism and industry.
Evelyn Greaves, M.P.	Minister of trade and commerce.
Philip Greaves, M.P.	Minister of transport, works and telecommunications.

Parliamentary secretaries:

Anderson Morrison (Senator)	Prime minister's office.
Maizie Barker-Welch, M.P.	Ministry of Labour and Community Development.
Cyril Walker, M.P.	Ministry of Education and Culture.

BARROW REJECTS PRO-U.S. POLICY OF NEIGHBORS

FL031440 Bonaire Trans World Radio in English 1130 GMT 3 Jun 86

[Text] Barbados' Prime Minister-elect Errol Barrow [title as heard] said in a newspaper interview in Trinidad that he rejects the pro-U.S. policies of Jamaica and Dominica that his political rivals followed.

Barrow, who opposed the 1983 U.S.-led invasion of Grenada, criticized Prime Ministers Edward Seaga of Jamaica and Maria Eugenia Charles of Dominica for supporting President Reagan's foreign policy in the Caribbean.

ST JOHN PASSES CONTROL OF BLP TO HENRY FORDE

FL031450 Bonaire Trans World Radio in English 1130 GMT 3 Jun 86

[Text] In Bridgetown, Barbados, defeated Prime Minister Bernard St John relinquished control of his party yesterday to Henry Forde, one of the three successful Barbados Labor Party [BLP] candidates in last week's election. St John, who is 54, said he was going to take a long holiday following Wednesday's general elections.

The Democratic Labor Party, led by former Prime Minister Errol Barrow, unseated St John from his constituency and swept 24 of the 27 seats in the island's House of Assembly or parliament.

HAITI

TELEVISION STATION BACK ON AIR AFTER WALKOUT

FL291435 Bonaire Trans World Radio in English 1130 GMT 28 May 86

[Text] In Haiti, the national television station is back on the air following a walk-out by employees protesting what they say was government censorship of a broadcast. The station director had resigned over a disagreement over governmental policy as it regarded news reporting. Reaction came from other media in Haiti in favor of the strike and at least six political organizations all condemned the government's attitude.

TRINIDAD-TOBAGO

CHAMBERS SALUTES NEW BARBADIAN GOVERNMENT

PA010236 Madrid EFE in Spanish 2353 GMT 31 May 86

[Text] Port-of-Spain, 31 May (EFE) -- The Government of Trinidad and Tobago today expressed its desire to continue its good relations with the new leaders of Barbados, a spokesman for Tobagan Prime Minister George Chambers has reported. The spokesman said that new Barbadian Prime Minister Errol W. Barrow and Chambers constitute a common bloc that defends nonalignment.

In October 1983 Barrow, then leader of the Barbadian opposition, and Chambers joined efforts to repudiate the U.S. invasion on the island of Grenada.

However, Barrow, who was defeated, and former Barbadian Prime Minister Tom Adams began in 1976 a "cold war" against the then Tobagan Prime Minister Eric Williams.

Later George Chambers established a close relationship with Bernard St John, the recently defeated Barbadian prime minister, and visited him 5 months before the elections. Barrow and Chambers will meet during the upcoming meeting of Caricom slated for 1 July in Georgetown, Guyana.